



THE COMMONWEALTH OF MASSACHUSETTS

**DEPARTMENT OF
TELECOMMUNICATIONS & ENERGY**

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**Massachusetts Department of Telecommunications
and Energy**

2005 Annual Report

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Introduction

The Department of Telecommunications and Energy ("Department"), formerly the Department of Public Utilities, has a dual role of ensuring that regulated industries provide quality service at reasonable rates and promoting public safety. Public safety, particularly in the natural gas pipeline and transportation industries, is the Department's most important responsibility. Safety and security of the utility and transportation infrastructure regulated by the Department have taken on an increased level of importance at the Department since the terrorist attacks of September 11, 2001.

The Department is overseen by a five-member Commission appointed by the Governor. According to statute, one member must have a background in electricity, natural gas and energy issues, one in telecommunications, one in cable television, and one member must have a background in consumer protection and advocacy. The Governor designates one of the Commissioners as Chairman.

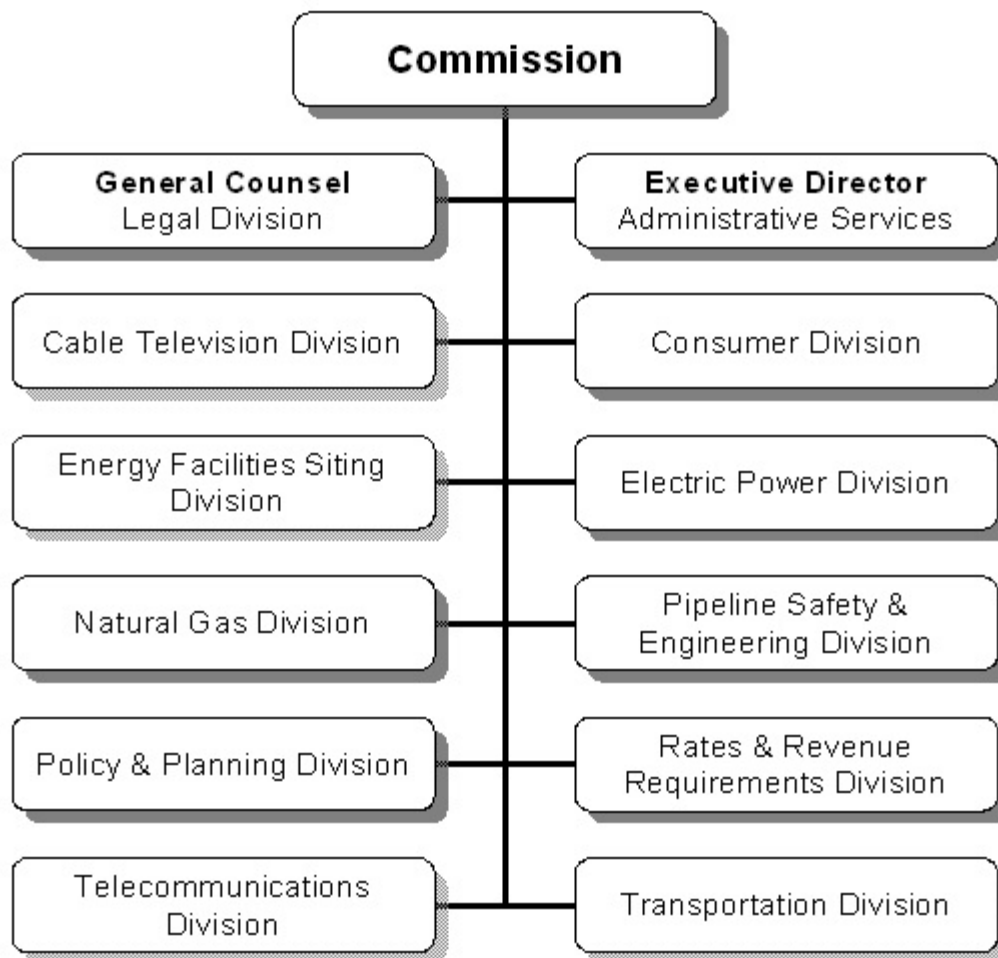
The Department has regulatory authority for a significant portion of the Massachusetts economy, approximately \$11 billion, representing the electric, gas, cable television and telecommunications industries. The Department's responsibilities include establishing rates and ensuring service quality for the investor-owned electric power, natural gas, telecommunications, and water industries. The Department also plays a role in setting rates in the transportation, water and cable television industries. The Department does not regulate the rates or services of other public agencies, such as municipal electric companies or water authorities.

The energy and communications industries are in the midst of revolutionary changes in technology, market structure, and regulatory policy. Some of these changes are driven by state law, particularly in the electric industry. Over the past nine years, the Department has devoted significant efforts to establishing structural conditions and economic policies that allow for the development of efficient competitive markets, wherever they are feasible.

Federal law and regulation are driving many of the changes in the energy and telecommunications industries. In some cases, federal actions have reduced the discretion of the Department in important respects. To protect Massachusetts customers' interests, the Department has increased its involvement in the federal policy-making process, both individually and as an active participant in the New England Conference of Public Utility Commissioners and the National Association of Regulatory Utility Commissioners.

This report summarizes the responsibilities of the various staff divisions within the Department, provides details about the day-to-day functions of the agency and provides information about specific activities and accomplishments during 2005.

Organizational Chart



Electric Power Division

Overview

The Electric Power Division's mission is to ensure that (1) Massachusetts electric companies¹ provide their customers with distribution and customer service in a safe, reliable and least-cost manner, and (2) retail competitive suppliers provide generation service to customers in a manner that is consistent with the 1997 Electric Industry Restructuring Act ("Restructuring Act") and the Department's regulations.

In addition to complementing the Department's oversight of electric companies, the Electric Power Division:

- Analyzes electric companies' service quality plans and annual performance;
- Monitors electric outages and oversees plans for corrective actions;
- Evaluates the cost-effectiveness of electric companies' energy efficiency programs;
- Reviews annual transition cost reconciliation filings;
- Participates in regional and national initiatives to restructure the wholesale electric industry;
- Monitors wholesale market prices and the long-term adequacy of regional power supplies;
- Facilitates the development of a competitive generation market for small customers;
- Reviews electric company solicitations for default service supply (through February 2005); and
- Grants licenses to qualified entities to serve as suppliers and brokers of electricity.

¹ The electric distribution companies in Massachusetts are: Fitchburg Gas and Electric Light Company; Massachusetts Electric Company and Nantucket Electric Company ("National Grid"); Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company ("NSTAR Electric"); and Western Massachusetts Electric Company.

Background

To better understand the Electric Power Division's mission, it is helpful to view electric service in terms of four major components: (1) generation service, associated with the power plants that produce electricity; (2) transmission service, associated with the high voltage wires that transport electricity from power plants to distribution substations; (3) distribution service, associated with the low voltage wires and facilities that transport electricity from distribution substations to customers; and (4) customer service, such as billing and metering. Historically, the Massachusetts electric companies provided the four components on a bundled, monopoly basis (*i.e.*, customers had no choice but to receive these services through their electric companies). The Department's regulatory scope encompassed all four components.

In November 1997, the Massachusetts General Court passed the Restructuring Act, which introduced competition into the generation component of electric service. The Restructuring Act states that "long term rate reductions can be achieved most effectively by increasing competition and enabling broad customer choice in generation service, thereby allowing market forces to play the principal role in determining the suppliers of generation for all customers." Pursuant to the Restructuring Act, since March 1, 1998, customers have had the opportunity to choose entities other than their electric companies to provide the generation component of their electric service. The remaining components of electric service (transmission, distribution, and customer service), remain monopoly services offered by the Massachusetts electric companies under regulation by the Department or, in the case of transmission, under regulation by the Federal Energy Regulatory Commission ("FERC").

The Restructured Electric Industry

The Restructuring Act established three generation service options for electricity customers: (1) standard offer service, a "rate-protected" transition service that electric distribution companies provided through February 2005; (2) competitive generation service, provided by competitive suppliers; and (3) default service, a "last resort" service that is provided by electric distribution companies. All customers receive the same level of distribution, transmission, and customer service regardless of their generation service. However, the price that the customer pays for generation service is dependent on the type of service the customer is receiving.

On March 1, 2005, the seven-year transition period to a competitive electric market established by the Restructuring Act, which encompassed standard offer and default service options, expired. Therefore, standard offer service no longer exists as a generation option for customers. In addition, the Department now refers to "default service" as "basic service" to better describe the function it plays in the restructured industry.

Competitive Generation Service

As stated above, the linchpin of a restructured electric industry is the creation of a competitive market for generation services. Consistent with the Restructuring Act, the Department's goal is to provide electricity customers with the broadest possible choice of generation suppliers, in order to allow customers to share the benefits of a competitive marketplace. To do so, the Department grants licenses to qualified entities to serve as competitive suppliers and electricity brokers in the restructured industry. Competitive suppliers are entities that purchase electric output from generators at the wholesale level, and sell the electricity to consumers at retail. Electricity brokers are entities that facilitate or arrange for the sale of electricity to customers, acting as "middlemen" between suppliers and customers. Staff from the Electric Power Division review license applications to determine whether the applicant has demonstrated, among other things, the financial and technical capability to provide the applicable services. As of December 31, 2005, there were 26 licensed competitive suppliers and 55 licensed electricity brokers in Massachusetts. These suppliers and brokers sell electricity primarily to large and medium-sized commercial customers.

The terms and conditions by which competitive suppliers and brokers offer products and services to customers, including prices, are determined by the competitive marketplace. To assist customers in comparing these products, the Restructuring Act requires each supplier to issue information disclosure labels which describe, among others things, the environmental characteristics of the power plants from which the supplier purchases the electricity.

In order to assist in the development of the competitive market, the Department requires that each electric distribution company make available customer information lists to licensed suppliers and brokers. The information lists must include, among other things, customer names, addresses, and historic consumption data (customers may opt to have their information removed from the lists). The release of this information removes a barrier that competitive suppliers would otherwise face. In addition, the Department established a mechanism so that customers can use the internet to electronically approve their competitive deals.

The Restructuring Act established special provisions for a municipality that seeks to aggregate the electrical load of customers located within its municipal boundary, for the purpose of allowing those customers access to competitive supply market. The Department has approved a municipal aggregation plan for the Cape Light Compact, encompassing the cities and towns located on Cape Cod.

Basic/Default Service

Basic/default service is the "last resort" generation service that each distribution company is required to offer for customers not receiving generation service from a competitive supplier. Basic/default service supplies are competitively procured with

rates based on the results of solicitations. Staff from the Electric Power Division review each company's solicitations to ensure compliance with the Department's rules and regulations.

2005 Additional Electric Power Division Responsibilities

Implementation of Service Quality Standards

The Restructuring Act directs the Department to establish service quality standards that require Massachusetts electric companies to maintain, at a minimum, their historic levels of service quality. The Restructuring Act includes a provision for financial penalties should a company fail to meet that historic level. In 2005, the Electric Power Division analyzed each electric company's 2004 service quality performance, and considered whether adjustments to service quality standards were warranted based on three years of experience with the existing standards.

Monitoring Distribution System Reliability

During the summer of 2001, Massachusetts experienced repeated, record demands for electricity. Distribution system failures became pronounced during that summer. Consequently, the Department directed electric companies to: (1) examine the underlying causes of those outages, (2) diagnose any operational or physical problems affecting their distribution systems, and (3) establish a plan to reduce or eliminate recurrences. As a result, the electric companies proposed numerous corrective actions. The Electric Power Division continues to track those corrective actions and related activities. In addition, the Department directed that each electric company produce an annual analysis of its distribution system to include (1) a ten-year load growth forecast capable of identifying high-growth zones; (2) a description of the company's transmission and distribution design and planning criteria and an explanation of how those criteria are applied; (3) a distribution system operating study focused on contingency management; and (4) an update to corrective actions and capital investments planned for the next five years. The Electric Power Division analyzes this information and compares it to our own reliability data to ensure that Massachusetts electric customers receive reliable distribution service at the lowest possible cost under a variety of conditions.

The Electric Power Division relies on the Outage Reporting Protocol ("ORP") as a means of electronically receiving real-time reports of significant customer outages. Within 30 minutes of a significant outage, the ORP system transmits data to the Electric Power Division including the location of the outage; number of customers affected; number of circuits affected or out-of-service; likely cause; any bodily injury; and whether a critical facility, such as a hospital, is involved.

Evaluation of Energy Efficiency Programs

Pursuant to the Restructuring Act, electric companies are required to implement energy efficiency programs. In 2005, companies installed energy efficiency equipment projected to save Massachusetts customers about \$429 million over the useful life of that equipment. To fund their energy efficiency programs, the distribution companies collect 0.25 cents per kilowatt-hour (“KWH”) as specified by statute. The Electric Power Division works closely with the Division of Energy Resources (“DOER”) to monitor the annual implementation of these energy efficiency programs; DOER oversees program design, while the Department reviews program cost-effectiveness (i.e., whether the program provides net benefits to customers).

Review of Transition (“Stranded”) Cost Reconciliation Filings

Transition costs are those generation-related costs incurred by Massachusetts electric companies prior to electric restructuring, which the companies would not otherwise be able to recover from their customers because of the introduction of a competitive market for generation services. Transition costs represent the above-market, or uneconomic, portion of a company’s generation assets. The Restructuring Act allows electric companies to recover their transition costs, provided that such costs are mitigated through actions such as divestiture. The Electric Power Division analyzed the divestiture filings submitted by each of the electric companies, to ensure that such divestiture fully mitigated each company’s transition costs. The Electric Power Division and the Rates and Revenue Requirements Division continue to review transition cost reconciliation filings submitted annually by each company.

Monitoring Wholesale Electricity Markets

The high-voltage electricity grid in Massachusetts is part of the New England power grid, which is operated by the federally-regulated Independent System Operator, New England (“ISO-NE”). ISO-NE coordinates power plant operations and the transmission grid to ensure the moment-to-moment reliability of the New England electric system. In 2005, the Electric Power Division was actively involved in ISO-NE related matters to protect the interests of Massachusetts’ electricity customers. For example, the Electric Power Division monitored wholesale market prices and long-term power supply adequacy to ensure reliable and affordable electric service for Massachusetts. Reliability and affordability are particularly important for “load pockets” like metropolitan Boston where generation is insufficient when compared to load.

2005 Electric Power Division Accomplishments

In 2005 the Electric Power Division actively participated in the following major dockets:

- Outage Reporting Protocol. The Electric Power Division revamped the ORP system to incorporate more accurate outage information. The Electric Power Division monitors ORP data daily and responds to reports of significant and/or frequent interruptions to customers.
- Service Quality Plans, D.T.E. 05-15, 05-17, 05-19, 05-21, 05-22, and 05-25. The Electric Power Division reviewed the 2004 service quality performance of electric companies by analyzing criteria such as average outage frequency, average outage duration, telephone answering, and lost-time accident rate.
- Stray Voltage Measurement Practices. In light of ongoing concerns due to stray voltage and manhole incidents, the Department continued to address these issues in 2005. The Department initiated independent reviews of electric company stray voltage and manhole practices to include recommendations for improvement. The Electric Power Division worked closely with independent reviewers to facilitate a comprehensive review with appropriate follow-up procedures.
- Distributed Generation, D.T.E. 02-38. The Department continued its investigation into distributed generation in Massachusetts. Distributed generation refers to customer-owned generation that serves all or part of the customer's load, thereby reducing that customer's use of electric power from the regional grid and the distribution system. On December 27, 2005 the Department approved adjustments to a set of previously-approved uniform interconnection standards. These adjustments were developed by a working group known as the "Massachusetts Distributed Generation Collaborative," the same group that initially formulated the uniform interconnection standards. In 2005, the Department asked the Distributed Generation Collaborative to next address the role of distributed generation in electric company planning. The Collaborative's next report is due in June 2006.
- Default Service Costs, D.T.E. 03-88. In 2003, the Department opened an investigation to ensure that each distribution company included all basic/default service-related costs in its basic/default service rates. Throughout early 2005, the Electric Power Division participated in this investigation.
- Wholesale Electric Markets
 - Regional Transmission Organization ("RTO"). In 2005, ISO-NE was designated an RTO pursuant to a FERC ruling. As an RTO, this entity continues to manage the day-to-day operations of the New England grid with newly expanded authority over wholesale markets and planning. The Electric Power Division participated in developing this RTO proposal.

- Regional Planning. The Electric Power Division participated in the development of New England's regional plan known as the Regional System Plan for 2005 ("RSP05"). RSP05 examined the needs of the New England power system in terms of long-term adequacy, transmission constraints, fuel diversity, and load pockets. The Electric Power Division also participated in the review of cost proposals associated with major projects such as NSTAR's 345 kilovolt ("kV") underground transmission project and Southwest Connecticut's 345 kV underground and overhead project. In addition, the Electric Power Division participated in proceedings of the New England Transmission Reliability Committee, involving approval of projects to enhance the region's electric system reliability. Several Massachusetts projects were included in the final decision of the ISO-NE Board of Directors.
- Locational Installed Capability ("LICAP"), FERC ER03-563-030. The Electric Power Division actively collaborated with ISO-NE and representatives of other New England states to design a method that promotes the construction of generation in New England. This method, known as LICAP, offers financial incentives to generators and is expected to reduce the number of inefficient and costly reliability arrangements now in place.

Natural Gas Division

Overview

The Natural Gas Division (“Gas Division”) provides technical support to the Department in the regulation of the state’s nine investor-owned natural gas companies (also called “local distribution companies” or “LDCs”).² In total, these companies serve approximately 1.46 million gas customers, and have combined operating revenues of approximately \$2.54 billion.

Over the last several years, the Gas Division has worked to promote competition in the local gas distribution industry through the “unbundling” of rates. The Gas Division has brought about regulatory changes that provide gas customers with opportunities to participate in a competitive gas market, while maintaining traditional consumer protections.

The Gas Division has the authority and the responsibility to:

- Review LDCs’ forecast-and-supply plans and long-term gas supply contracts;
- Review non-tariff contracts for the sale and transportation of natural gas;
- Review the appropriateness and accuracy of LDC filings made pursuant to the Cost of Gas Adjustment Clause (“CGAC”) and the Local Distribution Adjustment Clause (“LDAC”);
- Review LDCs’ energy efficiency plans;
- Assist the Rates and Revenue Requirements Division in base rate, merger, and financing filings;
- Review LDCs’ service quality filings;
- License gas suppliers and retail agents; and

² The LDCs in Massachusetts are: Bay State Gas Company, The Berkshire Gas Company, Blackstone Gas Company, Fitchburg Gas and Electric Light Company, KeySpan Energy Delivery New England (formerly Boston/Colonial/Essex Gas Company), New England Gas Company (Fall River Gas Service Area and North Attleboro Gas Service Area), and NSTAR Gas Company.

- Review and, where appropriate, intervene in federal regulatory proceedings and activities that affect the interests of gas consumers in the Commonwealth.

Natural Gas Division Responsibilities

Review of Forecast and Supply Plans

LDCs must submit a five-year Forecast and Supply Plan to the Department for approval every two years. In its review of the forecast component, the Gas Division determines whether the company has accurately projected the gas requirements of the company's service area. A forecast must contain accurate and complete historical data and employ reasonable statistical projection methods. In its review of the supply plan, the Division must determine whether the plan is adequate to meet projected customer demand under a range of contingencies. During 2005, the Gas Division reviewed four forecast and supply plans.

Review of Long-Term Gas Supply Contracts

LDCs must submit all supply contracts with terms longer than one year to the Department for review and approval. Long-term supply contracts include both gas commodity (the natural gas itself) and capacity (the pipeline required to transport the natural gas from the production areas to the LDC's distribution system). In evaluating a gas company's proposed contract for commodity or capacity, the Gas Division examines whether acquisition of the resource would be consistent with the public interest. To do so, the Gas Division determines whether the LDC has shown that the acquisition (1) would be consistent with the company's portfolio objectives, and (2) would compare favorably to the range of options reasonably available to the company and its customers. During 2005, the Gas Division reviewed eight long-term supply contracts.

Review of Non-Tariff Contracts

Large commercial and industrial gas customers capable of burning alternative fuels, such as oil or coal, sometimes find that their gas companies' Department-approved tariffs are not competitive with alternative fuel options. To retain these customers and assure a continued stream of revenue, LDCs may offer them non-tariff contracts, subject to Department approval. In its review, Gas Division staff ensures that (1) the customer is capable of burning an alternative fuel; (2) the price charged under the contract exceeds the marginal cost of providing this service; and (3) the company's existing ratepayers are not responsible for any of the costs associated with providing the specified service. In 2005, the Gas Division reviewed 28 non-tariff contracts.

Review of Requests for Cost Adjustments

Department regulations allow gas companies to recover costs incurred for the purchase, storage and interstate transportation of gas (referred to as “gas supply costs”). Gas commodity costs typically fluctuate seasonally. Through semi-annual cost-of-gas adjustment filings, LDCs request billing changes that enable them to reconcile these fluctuations. The Gas Division reviews these filings to ensure accounting accuracy and prudent company practices, and approves adjustments to billings via the Cost of Gas Adjustment Factor. In 2001, the Department amended its regulations to require gas companies to make interim filings for recovery of gas supply costs, when projected under- or over-collections exceed five percent. These adjustments help reduce the impact on customers’ bills when there are significant changes in gas supply costs. During 2005, the Gas Division reviewed 29 requests for cost adjustments.

Similarly, Department regulations allow a gas company to recover, or credit on a reconciling basis, a variety of costs that have been determined to be distribution-related but are not included in base rates.³ The charge used to recover all of these costs is referred to as the Local Distribution Adjustment Factor (“LDAF”). Examples of recoverable expenses include the costs of energy efficiency programs and costs related to the federal restructuring of the gas industry. LDCs can also recover costs associated with federal and state mandated cleanups of past contamination at sites polluted by wastes from gas manufacturing plants. Although most gas manufacturing plants in Massachusetts ceased operations by the early 1950s, their wastes continue to present environmental hazards. The Gas Division reviews all company requests for adjustments via the LDAF to ensure accounting accuracy and prudent company practices. During 2005, the Gas Division reviewed 20 LDAF requests.

Review of Energy Efficiency Plans

Since 1992, the Department has required LDCs to develop energy efficiency plans that bring cost savings to consumers and reduce the overall need for gas. The companies’ plans typically include weatherization service programs (offering energy audits, attic insulation, wall insulation, air sealing, and heating system repairs) and rebates for the installation of clock thermostats or for the replacement of boilers, furnaces, and water heaters with high-efficiency units. Gas companies must submit energy efficiency plans to the Division, which reviews the proposed programs to ensure cost effectiveness. The companies can then recover energy efficiency-related costs via the LDAF. In 2005, the Division reviewed two energy efficiency plans.

³ Base rates are designed to recover distribution-related costs (i.e., the costs to operate the LDC), including plant and equipment, labor, taxes, interest on borrowed funds, return on investment, billing, metering, and customer service.

Cooperation with the Rates and Revenue Requirements Division

The Gas Division works closely with the Rates and Revenue Requirements Division to review various rate case filings and merger and acquisition petitions. In traditional rate cases, Gas Division staff is responsible for reviewing the terms and conditions of distribution service, the allocation of local production and storage costs, weather normalization, gas-related cash working capital, marginal costs, and the treatment of revenues from off-tariff contracts. As the gas industry makes the transition to a competitive supply environment, the Department will continue to require gas companies to provide least cost distribution service, but this requirement will be implemented through performance-based regulation ("PBR"). PBR refers to the use of incentives and price caps as a means of setting utility rates – in contrast to traditional rate-of-return rate making, which is based on a company's cost of service. An important feature of PBR is a service quality program, which ensures that companies will not compromise service through insufficient expenditures on customer service activities. In 2005, the Gas Division participated in the Department's review of Bay State Gas Company's rate case filing.

Review of Service Quality Filings

In June 2001, the Department issued an order finalizing service quality standards for all gas and electric distribution companies. The order established performance measures for customer service, billing, customer satisfaction, staffing levels, safety, and reliability. Pursuant to this order, the LDCs filed company specific service quality plans for Department review, which the Department approved in the Spring of 2002. Each gas company filed a service quality report in March 2005 (and must do so every March), comparing its actual performance against the service quality standards established by the Department. The Gas Division is responsible for the review of all gas service quality plans to ensure that the companies maintain a minimum quality of service. During 2005, the Division reviewed ten service quality plans.

Licensing of Gas Suppliers and Retail Agents

Massachusetts customers may choose a gas supplier other than the LDC serving the customer's neighborhood. This allows customers to comparison shop and negotiate for the best value in gas commodity from competitive suppliers. However, the price charged by these competitive suppliers for natural gas is not regulated. Instead, competitive gas suppliers set their own prices, just like the sellers of most goods and services in the marketplace.

Gas suppliers and retail agents wishing to sell natural gas to Massachusetts retail customers must be certified by the Department on an annual basis. The Gas Division reviews the applications for these licenses and conducts interviews with the applicants. Staff determines whether the applicants have the technical ability to procure and deliver natural gas, and whether they are familiar with the Department's

rules and the gas industry in general. The Division also evaluates documentation of the applicant's financial capability, such as the level of capitalization or corporate backing, to provide the proposed services. In 2005, the Department reviewed 14 applications and approved seven gas suppliers and seven retail agents. Currently there are ten gas suppliers and 14 retail agents in the Commonwealth.

Participation in Federal Policy-Making

Over the past decade, actions taken by FERC, the federal Department of Energy, and Congress have dramatically changed federal regulation of the natural gas industry. These changes directly affect the interests of Massachusetts customers who are served by federally regulated pipelines and liquefied natural gas ("LNG") import terminals. Division staff works with other state agencies and regional organizations to stay informed regarding current federal statutory and regulatory proposals, and to develop public positions on issues that may affect Commonwealth interests.

Public Information and Review of Consumer Complaints

Gas Division staff provides information and assistance on a daily basis to consumers, government officials, marketers, regulated companies, consultants and financial analysts. In addition, Gas Division staff assists the Department's Consumer Division in addressing gas-related consumer issues.

Competitive Gas Supply and Unbundling Initiatives

In the mid-1980s, FERC began to introduce more competition into the wholesale gas industry by allowing the customers of interstate gas pipelines, primarily LDCs and some large industrial consumers, to procure their gas supplies separately from the pipeline services that transport the gas. Previously, the pipeline companies "bundled" the price of the gas commodity and the transportation services together into one rate. To enable gas customers to buy gas from competing suppliers, FERC required all interstate pipelines to "unbundle" gas transportation from gas sales, and to offer the transportation component at a separate rate.

In Massachusetts, the Department determined that if the benefits of FERC's actions were to fully accrue to Massachusetts gas consumers, these consumers must similarly have the opportunity to purchase gas from sources other than an LDC. As a first step, the Department directed all Massachusetts LDCs to file gas transportation rates for their large customers. Beginning in 1988, large gas customers in the Commonwealth began to purchase gas from suppliers other than LDCs. Since the early 1990s, the Department has been active in implementing new policies so that the benefits of the competition created by FERC could reach additional LDC customers. As a result, all LDCs in Massachusetts offered unbundled rates, allowing most of their

commercial and industrial customers to choose their own gas supplier at competitive commodity rates.

Moreover, the Department determined that the benefits of competition should be extended to all customers, including residential customers. The Department's ultimate objective throughout its unbundling efforts has been to provide the opportunity for the residential and smaller commercial and industrial users of natural gas to benefit from lower commodity prices while maintaining the traditional consumer protections that have been the hallmark of Department regulation. The separation of the sale of the gas commodity is necessary to provide customers with accurate price signals and the ability to choose and purchase gas supplies separately from distribution services. Since November of 2000, with the approval of the unbundling regulations and terms and conditions for gas transportation service, residential customers are able to choose their own gas supplier. This change allows customers to comparison shop and negotiate for the best value in gas commodity from competitive suppliers.

2005 Gas Division Accomplishments

During 2005, the Gas Division reviewed:

- Four forecast and supply plan filings.
- Eight long-term gas supply contracts.
- 28 non-tariff contracts for the sale and transportation of natural gas (firm service, quasi-firm service).
- 29 gas-cost-recovery filings pursuant to the CGAC.
- 20 cost recovery filings pursuant to the LDAC.
- Two energy efficiency filings, as well as ten residential energy conservation service program filings.
- Ten service quality plans.
- 14 applications for the licensing of gas suppliers and gas retail agents.

Rates and Revenue Requirements Division

Overview

The Rates and Revenue Requirements Division ("Rates Division") is responsible for providing the technical expertise the Department needs to determine the appropriate levels of revenues, rates and charges for the seven investor-owned electric companies, nine investor-owned gas companies and twenty investor-owned water companies in the Commonwealth. The technical support provided by the Rates Division includes expertise in economics, finance, accounting, and public policy.

The Rates Division staff assists the Department's Legal Division in developing the evidentiary record in adjudicatory proceedings concerning the rates and finances of the investor-owned natural gas, electric, and water companies doing business in Massachusetts. The Department's decisions in these proceedings are directly appealable to the Supreme Judicial Court under G.L. c. 25, § 5.

The regulation of the natural gas, electric, and water industries requires the Rates Division to:

- Review electric utility restructuring related filings including: reconciliation of standard offer service, basic/default service, transmission, and transition costs and revenues; basic/default service procurement and billing; securitization; and divestiture of generation assets and power contracts;
- Review requests to change base rates through either cost-of-service regulation or PBR;
- Review financing requests;
- Review service quality plans;
- Review mergers and acquisitions;
- Coordinate the assessment of electric and gas utilities;
- Review retail electric contracts;
- Review municipal streetlight purchase disputes;
- Provide information and assistance to the public, government agencies, press, industry, and other government officials.

Division Responsibilities

Review of Electric Utility Restructuring-Related Filings

As part of the continued implementation of the Electric Restructuring Act, the Department annually conducts a reconciliation, or “true-up,” for each electric company. Under the Electric Restructuring Act, each electric distribution company may collect stranded or transition costs, which cannot be mitigated, through a transition charge. In a true-up, the Rates Division evaluates the costs and revenues that each electric distribution company proposes to reconcile through the transition charge. The Rates Division's analysis results in an Order that may require adjustments to the calculation of a company's transition charge in the following year. These adjustments are based on the Department's determination that a company has either over-collected or under-collected its transition charge expenses.

In a true-up, the Rates Division also reviews each of the electric distribution companies' costs and rates for providing basic/default service, and transmission service. The distribution companies are allowed dollar-for-dollar recovery for providing such services. The Rates Division must ensure that these rate changes comply with the rate reduction requirements of the Electric Restructuring Act.

Pursuant to the Electric Restructuring Act, the Rates Division also reviews the pricing and procurement of basic/default service load by the electric distribution companies, and ensures they are in compliance with the Department's directives. In addition, the Rates Division reviews proposals from the electric companies to securitize assets in order to obtain lower financing costs, divest generation assets and purchased power contracts to mitigate stranded costs, and resolve streetlight purchase disputes. In each of these cases, the Rates Division must ensure that the outcome conforms with the intent of the Electric Restructuring Act and each company's restructuring plan.

Review of Requests To Change Base Rates

The Rates Division follows general Department practices in reviewing rate cases which include: reviewing initial filings, participating in informal technical conferences, issuing information requests, drafting pre-hearing memoranda for the Commission, cross-examining company and intervenor witnesses during hearings, developing and discussing with the Commission various options for resolution of issues, and preparing draft Orders for Commission review.

Changes to base rates are based on either traditional cost-of-service regulation or PBR. Establishing rates under PBR typically requires a determination of cost-of-service rates (using traditional cost-of-service regulation), industry productivity factors, inflation factors, and service quality measures. In 2005, the Rates Division was responsible for ensuring that the PBR compliance filings from Bay State Gas Company, Blackstone

Gas Company, The Berkshire Gas Company, Boston Gas Company d/b/a Keyspan Energy Delivery New England, Massachusetts Electric Company and Nantucket Electric Company were in compliance with directives included in each of the companies' last base rate proceedings. Further, staff reviewed a settlement compliance filing for Western Massachusetts Electric Company.

For water companies, the traditional review of rate cases through adjudicatory proceedings is not always cost-effective because the administrative costs of preparing and litigating a rate case for a small water company can equal or exceed the rate relief sought. To streamline the regulatory process, the Department has created a settlement intervention staff ("SIS") that independently reviews rate requests and conducts off-the-record negotiations with water company officials and intervenors. The SIS has no direct communication with the Commission regarding pending cases. SIS and the other parties on the case may submit a proposed rate settlement to the Commission. An adjudicatory team comprised of Rates Division and Legal Division staff review the settlement and make recommendations to the Commission. The Commission may either approve the settlement, return it to the settling parties with suggested modifications, or reject it with or without subsequent evidentiary hearings. To date, this process has saved the Department, water companies, and ratepayers considerable amounts of time, resources, and expenses.

The Department's regulatory authority over investor-owned water systems is in certain areas concurrent with that of the Massachusetts Department of Environmental Protection ("MDEP"). In situations where cross-over issues are involved, such as in water conservation and adequacy of service, Rates Division staff work with staff at the MDEP to ensure that the provisions of the agencies' respective duties are implemented in a harmonious manner.

Review of Requests to Change Reconciling Rates

In addition to reviewing base rates, the Rates Division is responsible for reviewing proposed changes to a company's rate components that are fully reconciling (i.e., where dollar-for-dollar recovery is intended). These include the pension and post-retirement benefit adjustment factors for the Bay State Gas Company, Boston Gas Company, the NSTAR gas and electric companies, and Fitchburg Gas and Electric Light Company. The annual cable surcharge for Nantucket Electric Company is also a reconciling rate mechanism that is reviewed by the Rates Division.

Review of Financing Requests

The Rates Division also is responsible for the review of financing cases. Financing cases relate to company proposals for the issuance of debt or equity securities, as well as investment of funds or guaranteeing the indebtedness of other companies. The primary focus in such cases is to carry out statutory mandates that require utilities to issue only those securities reasonably necessary for utility operations

and to have sufficient net plant (i.e., undepreciated assets in rate base) to ensure sound securities.

Review of Service Quality Plans

In 2001, the Department established service quality standards for all electric and gas utilities. Service Quality, D.T.E. 99-84. The Rates Division assists the Electric Power and Natural Gas Divisions in the annual review of the compliance filings made by the electric and gas companies in response to the Order to determine whether the electric and gas companies have met the service quality standards and, if not, the appropriate penalties to be assessed. The Department is currently reviewing the service quality standards established in D.T.E. 99-84. Investigation into Service Quality Guidelines, D.T.E. 04-116.

Review of Mergers and Acquisitions

Pursuant to G.L. c. 164, § 96, the Rates Division reviews all merger and acquisition proposals that are filed with the Department to determine if they are in the best interest of ratepayers. The Rates Division analyzes: the proposal's effect on rates, service quality, net savings, and competition; the financial integrity of the post merger entity; the fairness in the distribution of resulting benefits between shareholders and ratepayers; and societal effects such as job loss and economic development. The Rates Division also analyzes alternatives to the merger, as well as any accompanying rate plans.

Coordination of Annual Assessments

Pursuant to G.L. c. 25, § 18, electric, gas and telecommunications companies that do business in Massachusetts are subject to an annual assessment on a percentage of their intrastate revenues. The Rates Division is responsible for gathering the revenue figures for the electric and gas utilities.

Review of Retail Electric Contracts

The Rates Division is responsible for the mandatory review of negotiated electric contracts between electric distribution companies and retail customers. Such contracts are evaluated to ensure consistency with Department standards. The onset of competition in the electric utility industry has reduced the need for electric contracts in recent years.

Review of Utility Accounting Matters

Utility companies are required to maintain their books in accordance with Department regulation. To maintain uniformity of accounting, utilities are required to

submit questions concerning the appropriate interpretation of the Department's accounting regulations to the Department. During 2005, Rates Division staff received and responded to a number of accounting questions from utilities, primarily from municipally operated systems and water companies. The Rates Division also reviews requests involving accounting practices, including requests by companies to defer expenses on their books for later review in a rate proceeding.

Review of Municipal Depreciation Requests

Pursuant to G.L. c. 164, § 57, municipal utilities are permitted to include in their rates an annual provision for depreciation expense equal to three percent of depreciable plant (plant less land and land rights), unless otherwise permitted by the Department. Because municipal utilities rely on depreciation funds as a source of funds for plant improvements and expansions without resorting to outside financing, municipal utilities may seek permission to increase their depreciation rate for a particular year. During 2005, the Rates Division evaluated and approved nine requests for increases in municipal depreciation rates.

Review of Consumer Complaints

The Rates Division provides assistance to the Department's Consumer Division in the review of rate and billing disputes by residential customers. In addition, because billing disputes by commercial and industrial customers are not generally handled by the Consumer Division, the Rates Division has, at times, provided informal assistance in resolving these billing disputes, primarily through review and interpretation of the applicable tariffs.

Public Information

Another important responsibility of the Rates Division is to provide timely and accurate information to the public regarding activities in the electric, gas, and water industries. This task requires working with other regulatory agencies, consumer groups, public interest groups, power suppliers, and utility companies to help them understand Department regulations and policies. The Rates Division also assists in the development of agency regulations to address the changing circumstances in the utility industry such as electric industry restructuring, gas unbundling, and new financial accounting standards. The Rates Division also works with the Department's Consumer Division to respond to consumer complaints and to draft policy recommendations regarding consumer issues.

Precedent, Policies, and Practice

When a company does not have a PBR, the Department sets rates using cost-of-service pricing principles where electric, gas and water rates are based upon the

cost to serve various classes of ratepayers. Under cost-of-service pricing, the Rates Division reviews the costs incurred by utility companies to determine the reasonableness of such costs and to determine whether they were prudently incurred. The categories of costs include company annual expenses, capital investments, and rates of return for shareholders (*i.e.*, the return on equity). Appropriate annual expenses plus a return on undepreciated rate base (*i.e.*, a return on net capital investment) make up the company's "cost of service" or the "revenue requirement" upon which rate structures must be based.

Once the company's cost of service has been determined, a rate structure must be established that affords the company a reasonable opportunity to earn its allowed rate of return while meeting other policy goals. Rate structure is the level and pattern of prices that customers are charged for the use of utility services. A customer class' rate structure is a function of the cost of serving that rate class and the design of rates calculated to cover that cost. The Department's policy goals for utility rate structure are economic efficiency, continuity, fairness, earnings stability, and simplicity.

In many cases, however, attaining all of the above-mentioned goals simultaneously is impracticable within a single rate proceeding because some goals can be achieved only to the detriment of other goals. For example, the immediate implementation of cost-based rates where each customer class pays its fair apportionment of the costs incurred to serve them could cause the rates of certain classes to increase substantially, violating the goal of rate continuity or the goal of having rate changes occur in a gradual fashion to avoid rate shock.

2005 Rates Division Accomplishments

The Rates Division actively participated in the following major dockets in calendar year 2005:

- Aquaria Water Company LLC, D.T.E. 04-76 (2005)

Aquaria LLC petitioned the Department for clarification of the extent to which Aquaria would be subject to the provisions pursuant to G.L. c. 164 and G.L. c. 165, and other Department regulations. Aquaria also sought approval, to the extent applicable, of certain indebtedness intended to finance the construction of a water desalinization plant in Dighton that will be used to furnish supplemental water to municipalities on a contract basis.

On February 25, 2005, the Department issued an Order determining the extent to which G.L. c. 164 and G.L. c. 165 would apply to a desalinization plant and approved the issuance of \$36,000,000 in long term debt for the purpose of constructing the desalinization plant.

- Bay State Gas Company, D.T.E. 05-27 (2005)

Bay State Gas Company (“Bay State”) filed a petition for approval of a \$22.2 million increase in its base rates for firm gas customers. The petition also included a request for approval of a performance-based rate plan, as well as approval of a steel infrastructure replacement adjustment to provide for annual recovery of steel infrastructure replacement investments, and a pension and post-retirement benefits other than pension (“PBOP”) reconciling mechanism to provide for recovery of pension and PBOP expenses.

On November 30, 2005, the Department approved an \$11.1 million increase in the Company’s base rates, a performance-based rate plan with a ten-year term and denied the steel infrastructure replacement adjustment. Also, pursuant to G.L. c. 164, § 1E, and the Department’s supervisory authority over Bay State, the Department ordered an investigation into whether any of the following have led to a staffing reduction which impaired the cost, quality, and reliability of gas service to the Company’s ratepayers: (1) NiSource’s control of Bay State’s operations; (2) NiSource’s reduction in Bay State’s personnel, particularly its sales force, customer service representatives, maintenance staff, and management staff, and (3) NiSource’s role, if any, in Bay State’s low sales growth.

- NSTAR Electric and Gas Company Base Rate Settlement Agreement, D.T.E. 05-85

On December 6, 2005, Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company, (together “NSTAR Electric”) NSTAR Gas Company, the Attorney General of Massachusetts, the Low-Income Energy Affordability Network and Associated Industries of Massachusetts sought Department approval of a proposed settlement agreement. The Department approved the settlement on December 30, 2005.

The settlement agreement provides for the following:

- On January 1, 2006, the transition charge prices for NSTAR Electric were reduced by 0.0907 cents per KWH, which is a reduction of approximately \$20 million of projected recovery of transition costs.
- On May 1, 2006, NSTAR Electric may increase its distribution rates by 0.143 cents per KWH, the equivalent of a \$30 million distribution rate increase.

- On May 1, 2006, the transition charge price will be reduced by 0.143 cents per KWH to offset, in whole, the increase in distribution rates.
- NSTAR Gas will defer approximately \$18.5 million in costs-of-gas adjustment costs beginning January 1, 2006, for a recovery at a later date.
- Low-Income Discount Participation Rate, D.T.E. 01-106-C/05-55 /05-56

On October 14, 2005, the Department authorized a reconciliation mechanism that would allow utilities to recover any revenue shortfall associated with the low-income discount rate computer matching program until they filed their next base rate case, at which time the discounts provided to all low-income customers would be reflected in new base distribution rates.
- Service Quality Guidelines, D.T.E. 04-116

On December 13, 2004, the Department opened an investigation to review service quality guidelines established in D.T.E. 99-84 (2001). This current proceeding continues the process of reviewing and updating service quality guidelines to include standards for utility performance in the areas of safety, reliability, and customer service.

The Rates Division undertook review of the following financing cases:

- Massachusetts Electric Company/Nantucket Electric Company/New England Power Company, D.T.E. 04-119 (2005)
(Modifications to existing Money Pool)
- Western Massachusetts Electric Company, D.T.E. 05-9 (2005)
(\$50,000,000 long-term debt)
- Southern Union Company, D.T.E. 05-38 (2005)
(\$132,000,000 common stock)
- New England Power Company, D.T.E. 05-57 (2005)
(\$230,000,000 revolving credit facility)
- Fitchburg Gas and Electric Light Company, D.T.E. 05-67
(\$15,000,000 long-term debt)

Telecommunications Division

Overview

The Telecommunications Division provides technical support to the Commission in the regulation of the telecommunications industry in Massachusetts. The industry is made up of local exchange carriers, interexchange carriers, operator service companies, and payphone companies. The mission of the Telecommunications Division is to ensure that telecommunications companies provide their customers with the most reliable telecommunications resources at the lowest possible cost.

The Telecommunications Division's major responsibilities are to:

- Review new registrations from companies seeking to provide telecommunications services in Massachusetts;
- Review individual tariff filings that would implement new service offerings or change the rates, terms or conditions of existing service offerings;
- Monitor the quality of service provided by the state's incumbent local exchange carrier, Verizon;
- Analyze major federal regulatory decisions to evaluate their impact on state regulation of the telecommunications industry;
- Enforce Department regulations and policies;
- Revise existing policies and develop new policies in response to new technologies and market conditions; and
- Explain Department regulations and policies for telecommunications to consumers, public officials, and companies.

Regulatory Framework

The breakup of AT&T in 1985 led to major changes in the telecommunications industry and how it is regulated. Rapid growth and evolution in the industry challenge the Department to maintain a level of oversight that effectively mitigates market power and promotes economic efficiency, while encouraging technological innovation and sensitivity to customer needs.

The Department has jurisdiction over telecommunications services that originate and terminate within or between each of Massachusetts' two federally-designated

“Local Access and Transport Areas.” (“LATAs”).⁴ The Federal Communications Commission (“FCC”) regulates services provided between customers in different LATAs, as well as interstate and international services.

Retail Services

To reduce barriers to market entry and encourage competition for telecommunications service in Massachusetts, the Department has streamlined its registration procedures for companies wishing to do business as carriers here. Previously, the Department conducted an investigation into the financial, managerial, and technical ability of a carrier to offer service. The Department now permits carriers to offer service based simply on the submission of a Statement of Business Operations and a tariff. By streamlining the entry process, the Department has made greater resources and staff time available for other responsibilities.

Wholesale Services

Apart from building their own facilities to serve customers, carriers who wish to compete in the retail telecommunications market have two modes of entry availability to them. One of these is to lease unbundled network elements from the “incumbent” local exchange carrier⁵ (Verizon) or another carrier and provide service over this leased network. The Department has authority over Verizon’s wholesale provision of unbundled network elements, ensures that they are provided in a non-discriminatory manner, and regulates the rates at which they are leased.

The other way a carrier can enter the market is to purchase a service from another carrier at a predetermined wholesale discount rate, then brand the service with its own name and resell it. The Telecommunications Division develops the wholesale discount rate pursuant to FCC methodology.

Payphone Providers

Many companies in addition to Verizon own and operate payphones in Massachusetts. In a 1986 Order, the Department held that all payphones must have labels clearly identifying the owner/operator of the phone, and must provide free access to 911 and directory assistance. The Department ensures that Verizon provides the lines necessary to provide payphone service on a non-discriminatory basis to all

⁴ The Western Massachusetts LATA consists of the 413 area code; all other area codes in the state fall under the Eastern Massachusetts LATA.

⁵ The “incumbent” local exchange carrier is the entity that owned the network prior to the introduction of competition.

companies seeking to offer the service. During 2005, the Department handled filings from five new payphone providers.

Division Responsibilities

Review of New Registrations

Telecommunications carriers wishing to do business in Massachusetts must file a Statement of Business Operations and a tariff with the Department. The statement includes a general description of the services to be offered by the carrier, contact information for customers who need to reach the carrier with questions or complaints, and a statement that the company has made all appropriate federal and state income tax filings and paid all income taxes. During 2005, the Department handled filings from nine new competitive local exchange carriers ("CLECs").

Review of Original and Amended Tariff Filings

The Telecommunications Division reviews approximately 53 tariff filings in an average month, including new tariffs and amendments to existing tariffs. Competitive carriers are free to determine prices and service offerings based on what the market will bear ("market-based pricing"). The Telecommunications Division reviews competitive carriers' tariffs to make sure that they do not contain any terms or provisions that are in violation of Department policy (e.g., a carrier cannot offer service on the condition that a customer agrees not to contest any charges), but otherwise generally allows new tariffs to become effective as filed. Because Verizon is the incumbent local exchange carrier, its tariffs receive greater scrutiny than those of CLECs, although most of Verizon's rates are subject to market-based pricing.

Monitoring of Verizon's Service Quality

Since the passage of the federal Telecommunications Act of 1996, the Massachusetts telecommunications market has experienced competitive growth in all sectors, including residential, business, urban and rural. In 1995, the Department adopted a Service Quality Plan for Verizon, consisting of twelve service measures in the categories of Installation Service, Maintenance Service, and Service Response. Verizon reports its performance on each of the measures to the Department on a monthly basis. If Verizon's performance falls below the Department's threshold, Verizon pays a penalty in the form of a refund to the ratepayers. By continuing to monitor Verizon's quality of service, the Department ensures that Verizon allocates sufficient resources for the maintenance of quality basic service to all customers, regardless of the level of competition the company faces in a particular market.

Analysis and Implementation of Major Federal Regulatory Changes

Decisions of the FCC, Congress, and state and federal courts affect the structure of the telecommunications industry and the Department's authority to regulate intrastate telecommunications services. Telecommunications Division staff monitors large volumes of relevant case law from other agencies and jurisdictions to keep abreast of major issues that may influence the provision of telecommunications services within Massachusetts. In February 2005, the FCC issued new rules governing the availability of unbundled network elements to competitive carriers. The Department has been managing the smooth transition to the new federal unbundling rules in order to provide all carriers with adequate time to adjust their business plans, thus ensuring continued competitive growth in the Massachusetts telecommunications markets.

Enforcement

The Telecommunications Division enforces a wide variety of laws, regulations, and policies. For example, under the Department's "chat line" policy, carriers providing service to information service providers, including chat line providers, are required to serve their information service provider customers exclusively with blockable telephone numbers. In addition, carriers are required to notify their end-user customers of the option to block outgoing calls to voice information services, including chat lines. In 2005, the Telecommunications Division issued a notice to the industry reiterating the chat line policy and requiring all carriers to verify their compliance. In addition, the Telecommunications Division took action against carriers who failed to comply with statutory financial reporting requirements. The Department's methods for ensuring compliance include mass mailings notifying the industry of Department rules and regulations; issuing Notices of Probable Violation ("NOPVs"); opening investigations; and issuing Orders to cease and desist.

Development of Policies to Address New Technologies and Market Conditions

The evolution of the telecommunications industry within Massachusetts has resulted in many new telecommunications service providers and a plethora of new service offerings. Because of the changing nature of the telecommunications industry, the Telecommunications Division analyzes new technologies and market developments in order to determine their impact on customers.

Education and Public Information

The Telecommunications Division devotes substantial staff time to explaining the Department's regulations and policies to potential and existing providers of telecommunications services. Staff also devotes significant time to consumer inquiries and refers consumers to the Consumer Division for additional assistance. From time to

time, the Department requires telecommunications carriers to develop customer education materials explaining major changes in the provision of services. The Telecommunications Division reviews these education materials for technical accuracy. As needed, staff develops educational materials in response to industry changes or Department Orders. For example, in 2005, the Telecommunications Division developed a list of questions and answers concerning Voice over Internet Protocol and posted them on the Department's website.

2005 Telecommunications Division Accomplishments

Verizon Consolidated Arbitration, D.T.E. 04-33

In 2004 and 2005, the Department arbitrated a dispute over amendments to the interconnection agreements between Verizon and many of the competitive carriers. Amendments to the interconnection agreements are necessary to reflect the new unbundling rules issued in 2004 and 2005, and the Department is helping the parties draft the contract language necessary to accurately implement the rules. Although the arbitration was unusually complicated due to the large number of parties and the multiple iterations of federal rules released during the proceeding, Massachusetts was the first state to issue an Order interpreting and implementing the new rules. In 2005, the Telecommunications Division dedicated the majority of its resources to the arbitration.

Cable Television Division

Overview

In 1971, the Legislature established the Massachusetts Community Antenna Television Commission "to authorize . . . the installation of community antenna television systems in cities and towns of the [C]ommonwealth and to provide for the regulation thereof by such cities and towns and the [C]ommonwealth. . . ." In the 30 years since the Legislature issued this grant of authority, what began as a service designed mainly to deliver off-the-air broadcast signals to rural and mountainous areas has become an \$1.36 billion industry in Massachusetts.⁶ While some households still rely on antenna reception, the principal alternative to cable television has been satellite television. In recent years, cable operators have altered service structures to compete more successfully not only with satellite providers, but with new technologies and new entrants to the marketplace, such as competitive overbuilders and municipally-owned companies. To this end, cable operators have begun a move toward offering bundled services, such as cable television, telephone, and cable modems. In recognition of the convergence of industries, the Legislature merged the Massachusetts Community Antenna Television Commission into the Department as the Cable Television Division ("Cable Division") in 1997.

Cable television continues to be regulated on the local, state, and federal level. Under its enabling legislation, G.L. c. 166A, and implementing regulations at 207 C.M.R. § 1.00 et seq., the Cable Division:

- Oversees cable television franchising, franchise renewal, and the transfer of cable franchises in the Commonwealth;
- Establishes basic service tier programming and equipment rates for communities in Massachusetts that have requested rate regulation; and
- Enforces consumer protection standards.

The Cable Division currently oversees twelve cable television providers serving over two million cable subscribers in 308 of the Commonwealth's 351 cities and towns. While the Cable Division does not regulate cable modems, broadband telecommunications has become an important part of the cable industry. Therefore, broadband has raised new issues for cable regulators, such as whether it is appropriate to calculate franchise fees on cable modem fees, the appropriate ways to manage combined billings, and the classification of video services provided by emerging technologies.

⁶ The \$1.36 billion estimate includes cable television revenues only and excludes revenue from the sale of internet or telephone services.

Division Responsibilities

Oversight of Municipal Cable Franchising

In Massachusetts, local municipalities act as the issuing authorities and negotiate and grant cable licenses, while the Cable Division retains ultimate authority in licensing matters. The Cable Division conducts an extensive educational program for communities involved in the licensing process, regarding applicable substantive and procedural requirements at the local, state, and federal levels. When licensing disputes arise at the local level, the Cable Division serves as the appellate body.

Rate Regulation

In October 1992, Congress passed the Cable Television Consumer Protection and Competition Act, which provided for the regulation of cable television rates. Pursuant to this Act and G.L. c. 166A, the Cable Division regulates subscribers' rates for basic service tier programming, installation, and equipment in those Massachusetts communities that (1) have requested rate regulation and (2) do not have effective competition from a second cable operator, as determined by the FCC. The Cable Division reviews the proposed basic service tier rates to determine whether such rates are just and reasonable and in compliance with applicable federal law. Pursuant to federal law, rates for expanded cable or premium services are not regulated.

In 2005, the Cable Division reviewed basic service tier programming, installation, and equipment rates for the majority of Massachusetts communities. The Cable Division issued nine rate orders, with respect to basic service tier programming, installation, and equipment rates applicable in 281 municipalities. Two rate matters were of particular significance. First, the Cable Division approved a rate restructuring proposal filed by the dominant cable provider in Massachusetts, Comcast Cable Corporation. The approved rate restructuring will allow Comcast to move forward with its plan to provide uniform pricing across most franchise areas. Second, with respect to Time Warner Cable, Inc., the Cable Division rejected a proposal to include costs of programming Time Warner purchased from an affiliate. The FCC upheld the cable Division's rate order, resulting in refunds paid to subscribers in Time Warner's western Massachusetts franchises.

Consumer Protection and Education

The Cable Division, together with the Department's Consumer Division, investigates and resolves individual consumer complaints, either by informal negotiation between the consumer and the cable operator or by formal adjudicatory proceedings. The Cable Division also tracks patterns of complaints in order to identify and resolve more widespread problems.

The Cable Division has adopted regulations designed to afford cable subscribers consumer protections, particularly with respect to billing and termination of service. The Cable Division requires each cable operator to make annual filings to ensure compliance with these consumer protection regulations. Through dedicated telephone lines, published consumer information, fact sheets, and a consumer-friendly website, the Cable Division serves as a source of information for consumers seeking to understand the options available to them, particularly as competition and consolidation of cable operators increases across the Commonwealth.

2005 Cable Television Division Highlights

A list of all Cable Division Orders issued during 2005 is attached as Appendix 1. Highlights of the Cable Division's activities in calendar year 2005, include:

- Basic Tier Programming and Equipment Rates

The Cable Division reviewed basic service tier programming and equipment rates for the majority of Massachusetts communities in 2005 and issued rate orders resulting in refunds or credits to Massachusetts subscribers of almost one-half million dollars.

- Initial Licensing by Competitive Provider

Upon request of several municipalities, the Cable Division found that the public interest warranted waiving certain requirements applicable to initiating the licensing process with a cable television provider. In this way, over 35 communities began license discussions with Verizon Communications to offer video service in the respective municipalities. By the close of 2005, one community, the City of Woburn, had executed a franchise with Verizon.

Energy Facilities Siting Board and Department Siting Division

Overview

The Energy Facilities Siting Board (“Siting Board”) is a nine-member review board charged with ensuring “a reliable energy supply for the Commonwealth with a minimum impact on the environment at the lowest possible cost.” The Siting Board’s primary function is to license the construction of major energy infrastructure in Massachusetts, including large power plants, electric transmission lines, natural gas pipelines and natural gas storage facilities. The Siting Board also has the authority to remove regulatory obstacles to the construction of energy infrastructure by issuing, or altering the terms of, other state and local permits.

Administratively, the Siting Board is located within the Department, but is not subject to Department supervision or control. The Board is comprised of three commissioners of the Department, in addition to the Secretary of Environmental Affairs, the Secretary of Economic Development, the Commissioner of DOER, and three public members who are appointed to three-year terms by the Governor.

The Siting Board is staffed by members of the Department’s Siting Division. Siting Division responsibilities to the Siting Board and to the Department require its staff to:

- Adjudicate petitions to site and construct major energy infrastructure
- Represent the Commonwealth in proceedings before FERC with respect to energy facilities to be sited in Massachusetts
- Adjudicate petitions by public service corporations for exemptions from local zoning requirements
- Adjudicate petitions by utility companies for eminent domain and for land survey access
- Adjudicate petitions for override of state and local permits, licenses, or other requirements
- Adjudicate petitions by electric companies for approval to construct transmission lines
- Enforce decisions of the Siting Board through the issuance of orders and civil penalties

A list of Siting Board decisions, Department Siting Division orders and Siting Board federal agency filings is attached as Appendix 2.

Siting Board Responsibilities

Energy Facility Review

The Siting Board reviews petitions to construct major new energy infrastructure, including power plants, electric transmission lines, natural gas pipelines and natural gas storage facilities. G.L. c. 164, § 69G-S. Siting Board review is conducted by means of a formal adjudicatory proceeding in accordance with G.L. c. 30A. Final decisions of the Siting Board are appealable directly to the Massachusetts Supreme Judicial Court.

The Siting Board's review of most types of energy infrastructure encompasses the need for the facility, alternative means of meeting that need, alternative sites, and environmental impacts and cost; however, due in part to the 1997 Electric Restructuring Act, the Board's review of power plants generally is limited to potential environmental impacts. The Siting Board's environmental review covers a broad range of issues, including potential impacts on air quality, land use, water resources, health, and cost. The Siting Board's environmental review also examines measures that may be taken to mitigate environmental impacts. Siting Board decisions typically represent a balancing of local and regional environmental impacts and the benefits of the project in terms of contributing to a reliable energy supply.

Between 1996 and 2001, the Siting Board reviewed and approved thirteen new power plants and power plant expansions in Massachusetts. Of these, eight have been completed and are in operation. Each plant has been required to mitigate its environmental impacts, to the extent that it was shown cost-effective to do so.

Recently, the Siting Board's caseload has shifted from reviews of new power plant proposals to reviews of proposals for supporting infrastructure, such as the gas pipelines and electric transmission lines largely designed to support the new power plants and the regional transmission grid.

In 2005, the Siting Board approved the construction by Cape Wind Associates, LLC and Commonwealth Electric/NSTAR Electric of an 18.1-mile transmission line to interconnect a proposed off-shore wind generating facility in Nantucket Sound with the regional electric grid. Cape Wind Associates, LLC and Commonwealth Electric Company, d/b/a NSTAR Electric, EFSB 02-2 (May 11, 2005) ("Cape Wind"). If constructed, the wind generating facility will be the first off-shore wind facility in the United States. In addition to approving the transmission line, the Siting Board in Cape Wind revised the Board's standard of review for determining the need for transmission lines intended to interconnect new or expanded generation, to render the standard of review more consistent with the Siting Board's mandate as set forth in the 1997 Electric Restructuring Act. Also in 2005, the Siting Board approved the construction of major new 17.5-mile transmission lines by Boston Edison Company/NSTAR Electric which will connect the existing 345 kV system south of Route 128, beginning in the Town of Stoughton, with two key substations in the City of Boston. These lines are currently

under construction in two phases, the first of which is expected to be in operation by summer 2006.

Federal Licensing Proceedings

The Siting Board represents the Commonwealth in proceedings before FERC with respect to the construction of energy facilities in Massachusetts. 980 C.M.R. § 7.07(9). A major focus of Siting Board work in 2005 has been the review of proposed LNG facilities.

Three separate LNG projects are currently under review. The proposed Weaver's Cove facility, which would be located in the City of Fall River, received FERC approval in July 2005. The Siting Board was an intervenor in the FERC proceeding and, together with the City of Fall River and the Attorneys General of Massachusetts and Rhode Island, sought rehearing by FERC (FERC denied rehearing in early 2006). Together with the same entities, the Siting Board has appealed FERC's approval to the United States Court of Appeals for the First Circuit.

The Siting Board participated in the early phases of reviews of two off-shore LNG facilities proposed for Massachusetts Bay: the Northeast Gateway Energy Bridge, LLC deepwater port LNG facility and its associated Algonquin Gas Transmission pipeline, for which FERC and the U.S. Coast Guard are the lead reviewing agencies; and the Neptune LNG LLC facility, for which the Coast Guard is the lead agency. The Siting Board conducted a public hearing on the Northeast Gateway project, and has submitted initial comments to FERC and to the Coast Guard. The Siting Board has also submitted comments to the Coast Guard on the Neptune Project. The Siting Board will continue its participation in the licensing of all three projects in 2006.

Permit Override Authority

Through the granting of a Certificate of Environmental Impact and Public Interest, the Siting Board has the authority to override a state or local ordinance, permit requirement, license, or other "burdensome condition or limitation" that would unduly delay or prevent construction of an energy facility approved by the Board. G.L. c. 164, §§ 69K-69O1/2. A facility developer can also apply for a Certificate if it believes there are inconsistencies among resource use permits issued by state or local agencies.

In 1999, the Siting Board exercised its certificate-issuing authority for the first time. In an October 2002 decision, the Supreme Judicial Court upheld the Siting Board's action.

Enforcement

The Siting Board is authorized to levy a civil penalty when an applicant has violated any order of the Board. G.L. c. 164, § 69H. The maximum fine is \$1,000 per day per violation, with a maximum civil penalty of \$200,000 for any related series of violations.

Siting Division Responsibilities

The Siting Division, comprised of attorneys and technical analysts, performs the staff work for the Siting Board under its statutory mandates. In addition, the Siting Division handles a variety of land use cases for the Department, including petitions for zoning exemptions, for authority to exercise eminent domain, and for permission to construct transmission lines.

Zoning Exemptions

State law authorizes the Department to exempt public service corporations from compliance with specific municipal zoning ordinances or by-laws if it determines that the present or proposed use of the land or structure is reasonably necessary for the convenience or welfare of the public. G.L. c. 40A, § 3. The Siting Division adjudicates many of these cases for the Department. Recent zoning exemptions that have been granted include exemptions for the construction of the Boston Edison Company/NSTAR Electric 17.5-mile 345 kV electric transmission line between the Town of Stoughton and the City of Boston, and for a needed expansion by New England Power Company and Massachusetts Electric Company of transmission and distribution facilities at New England Power's existing Ward Hill substation in the City of Haverhill.

Transmission Line Approval

G.L. c. 164, § 72 ("Section 72") requires electric companies to obtain Department approval prior to the construction or alteration of transmission lines. To receive such approval, the electric company must show that the proposed project is needed and that it serves "the public convenience and is consistent with the public interest." The Siting Division typically adjudicates these petitions on behalf of the Department. Recent Section 72 approvals include approval of the Boston Edison Company/NSTAR Electric 17.5 mile transmission line between the Town of Stoughton and the City of Boston, and a Commonwealth Electric Company/NSTAR Electric transmission line to interconnect NSTAR's existing switching station in the Town of Barnstable with a new substation that Nantucket Electric Company is constructing in connection with its underwater transmission cable to the island of Nantucket. The underwater cable was reviewed by the Siting Division and received Section 72 approval in 2004. Issuance of a Section 72 decision in the Cape Wind proceeding is pending, and will move forward after a

Massachusetts Environmental Policy Act/National Environmental Policy Act review for the transmission line has been completed, in accordance with state statute.

In 2004, the Department issued a Notice of Inquiry Order regarding the advisability and feasibility of developing Section 72 applicability guidelines, and the Commission has assigned responsibility for conducting this investigation to the Siting Division. Siting Division staff has formally solicited input from each of the electric transmission and distribution companies doing business in Massachusetts, and is currently working on a draft guidance document.

Eminent Domain and Survey Access

On behalf of the Department, the Siting Division adjudicates petitions by electric, natural gas, and water companies for the right to exercise the power of eminent domain to meet their public service obligations. G.L. c. 164, §§ 72, 72A. To grant eminent domain, the Department must determine that the property is necessary for the purpose alleged, will serve the public convenience, and is consistent with the public interest.

The Siting Division also administers the Department's authority to grant electric, natural gas, and water companies permission to enter private lands for the purpose of making a survey preliminary to eminent domain proceedings. The Siting Division began a review to allow Tennessee Gas Pipeline Company the authority to conduct surveys for a gas pipeline in Saugus, which is pending.

Siting Division Policies

Responses to 1997 Restructuring Act

The 1997 Electric Restructuring Act amended the Siting Board's review of proposed generating facilities by reducing its scope to include "only the environmental impacts of generating facilities, consistent with the commonwealth's policy of allowing market forces to determine the need for and cost of such facilities." This change explicitly eliminated from the Board's review two issues it had previously considered when evaluating generating facilities: the need for the facility and alternative sites. In addition, if developers could demonstrate that the emissions from their proposed facilities would be low enough, the Act exempted the facilities from a review of alternative (i.e., less polluting) technologies.

In response to the Restructuring Act, the Siting Board developed a technology performance standard for air emissions from generating facilities; revised its standards of review for generating facilities; conducted an inquiry concerning the Siting Board's review of generating facility viability; and, in the Cape Wind proceeding, revised the Siting Board's standard of review for determining the need for a proposed transmission line intended to interconnect a new or expanded generating facility to the electric grid.

Carbon Dioxide Policy

Since 1991, the Siting Board has required developers of new generating facilities to mitigate the emission of carbon dioxide (CO₂) from their plants. Currently, the Siting Board requires developers to contribute \$1.50 per ton for one percent of a plant's CO₂ emissions to cost-effective CO₂ mitigation programs to be selected through consultation between the developer and Siting Board staff. This approach is intended to promote a broad range of mitigation activities, such as landfill gas recovery or energy efficiency, in addition to tree-planting. Developers may also make their contributions to the Climate Trust, a national organization that funds projects that reduce greenhouse gas emissions. As of the end of 2005, the Siting Board has approved CO₂ mitigation programs with a total value of nearly \$2 million.

Pipeline Engineering and Safety Division

Overview

The Pipeline Engineering and Safety Division (“Pipeline Safety Division”) is responsible for technical and safety oversight of seven natural gas companies and four municipal gas departments in Massachusetts. As a certified agent of the U.S. Department of Transportation (“US DOT”), the Pipeline Safety Division enforces federal regulations pertaining to natural gas distribution pipelines within the Commonwealth. The Pipeline Safety Division also enforces the Department’s own comprehensive gas safety regulations and the state’s “Dig Safe” law, a statute requiring companies and individuals performing excavation work to notify the Dig Safe program in order to ensure safe excavation work.

The Pipeline Safety Division’s authority over technical and safety issues requires it to:

- Inspect gas facilities for compliance with federal and state design, construction, operating, maintenance, emergency and plant security regulations; and enforce such regulations;
- Investigate and determine the cause of gas-related accidents and make recommendations to minimize recurrences;
- Develop regulations applicable to the gas industry to enhance public safety;
- Enforce the Dig Safe Law by investigating alleged violations and assessing fines;
- Inspect and test gas meters for accuracy and safety before the meters are installed at consumers’ premises;
- Resolve consumer complaints regarding the accuracy of gas and electric meters by field tests; and
- Ensure that utility operators restore the streets and roads after excavating in the public way.

Pipeline Safety Division Responsibilities

Natural gas and propane are considered hazardous fuels by both the state and the federal government. Massachusetts has 19,000 miles of gas mains, 20 LNG plants, and 24 propane plants. These facilities serve over 1.4 million customers.

To protect consumers and the general public from the potential hazards involved in the transmission, distribution, production, storage and use of natural gas and propane, both the US DOT and the Department regulate these facilities. In addition to enforcing the Department's regulations, the Pipeline Safety Division acts as an agent for the US DOT in the enforcement of federal regulations. The Pipeline Safety Division inspects natural gas distribution pipeline facilities within the Commonwealth, investigates incidents, and imposes remedial actions (including civil penalties) when a natural gas operator is found to be negligent.

Gas Facility Inspections

The Pipeline Safety Division's engineers inspect gas facilities (pipelines, meter stations, regulator stations, dispatch centers, LNG plants, and propane-air plants) for compliance with federal and state safety regulations. If an apparent violation exists, a Notice of Probable Violation ("NOPV") or Warning Letter is issued to the alleged violator along with a Consent Order. The Consent Order includes action(s) to be taken by the alleged violator to correct the violation and a fine. The alleged violator may agree to the Consent Order, thereby settling the case, or may ask for an informal review conference with Pipeline Safety Division staff. A company found to be in violation may request an adjudicatory hearing before the Department if it disputes the informal review decision.

During 2005, the Pipeline Safety Division conducted 622 inspections and found 26 violations. A total of \$122,000 in fines was levied and \$33,000 in fines were collected. These fines are deposited into the General Fund of the Commonwealth.⁷

Intrastate Transmission Pipelines

There are 34.3 miles of intrastate gas transmission lines in Massachusetts. The increased use of natural gas to generate electricity has resulted in the construction of new intrastate pipelines to connect power plants directly to interstate gas transmission lines. As intrastate facilities, these pipelines fall under the aegis of the Pipeline Safety Division, whose engineers inspect their design, construction, operation, and maintenance. Some of these new lines are owned and operated by the power plant operator instead of the traditional gas distribution companies. Such pipelines typically operate at pressures significantly higher than local gas distribution pressures.

⁷ In 2003, the Legislature increased the fines for violation of federal and state safety regulations to \$50,000 per violation for each day the violation persists, up to a maximum of \$1,000,000 for any related series of violations. St. 2003, c.140, §§ 38, 39, amending G.L. c. 164, § 105A.

Investigation of Natural Gas Incidents

When a gas-related incident occurs, such as a fire or explosion, the Pipeline Safety Division's engineers (1) investigate to determine its cause, (2) determine whether the pipeline operator was in violation of any safety regulations, and (3) make recommendations to the Commission for preventing or minimizing a recurrence. During 2005, the Division investigated three gas-related incidents.

Homeland Security- Intrastate LNG Facilities

Security of pipeline facilities has become a major issue since the September 11th terrorist attacks. Natural gas pipelines and their associated facilities are vital to the Massachusetts economy. In 2005, the Pipeline Safety Division continued to inspect high-profile facilities such as LNG and liquid petroleum gas plants, gate stations, and dispatch centers, and worked with gas companies and other government officials to ensure that extra security precautions have been taken to protect gas pipeline facilities and the public.

Dig Safe Law Enforcement

Massachusetts' Dig Safe law requires any person who proposes to excavate in public or private land to pre-mark the excavation site and to notify the Dig Safe Center of his intent to excavate. The Dig Safe Center then contacts all operators of underground gas pipelines and electric, telecommunication and television cables in the excavation locale. These operators, in turn, must mark the locations of their facilities in advance of the excavation to minimize the risk of potential damage by the excavator. Lastly, the excavator must take adequate precautions to prevent damage to the facilities while digging.

Any person aware of possible violations of Dig Safe procedures may report them to the Pipeline Safety Division; utility operators are mandated by regulation to report possible Dig-Safe violations. The Pipeline Safety Division investigates the reports, issues NOPVs, conducts informal review conferences with the respondents and operators of the facilities, and performs field inspections, as necessary. The Pipeline Safety Division then issues findings and may assess a civil penalty. If the Pipeline Safety Division's decision is disputed, a Legal Division Hearing Officer will conduct a formal adjudicatory hearing. In 2005, the Pipeline Safety Division received 1,535 reports of possible Dig Safe violations. After investigating these reports, the Pipeline Safety Division issued 420 NOPVs and collected \$150,500 in fines.

Gas Meter Testing

State law requires that each gas meter be tested by the Pipeline Safety Division for volumetric accuracy and for leakage once every seven years, or when the meter is

removed from service. Gas companies or municipal gas departments (“operators”) typically remove meters to be tested and replace them with previously approved meters. Operators then deliver meters to their meter shop where one of the Division’s compliance officers tests them to ensure that they are not leaking and that the consumer is getting the correct amount of gas. The Division collected \$2,286,870 in meter testing fees in 2005.

Consumer Metering Complaints

The Pipeline Safety Division assists the Department’s Consumer Division in addressing complaints by customers pertaining to both gas and electric metering. In the case of an electric meter, the Pipeline Safety Division witnesses a test of the “complaint” meter in the field to determine its accuracy. For gas meters, the suspect meter is removed and tested at the operator’s premises by a Division compliance officer.

Preservation of the Public Way

In response to complaints from municipalities and industry about the lack of repairs made to public roads after utility work was completed, the Department promulgated street restoration standards in 1998. The regulations set standards for soil compaction, paving and other activities affecting road condition.

Partnership with Industry

US DOT regulations require that gas utility operating personnel be qualified by training and experience. These qualifications must be demonstrated by testing and work history. The Pipeline Safety Division, together with the Northeast Gas Association (“NGA”) and industry representatives, worked to develop a model operator qualification (“OQ”) program. Most of the natural gas operators in Massachusetts and the rest of New England now use this program to comply with OQ rules. The Gas Technology Institute is developing a national program based on the training program.

In other areas of cooperation, the Pipeline Safety Division has worked with regulators in the other five New England states and NGA to develop qualification procedures for welders of steel pipelines and fusers of plastic pipeline. This effort resulted in uniform qualifications for welders and fusers throughout New England which allows operators to avoid expending resources for the re-qualification of an employee from another New England state. At the same time, pipeline safety regulators are assured that the personnel are qualified in these essential pipeline construction functions.

Precedent, Policies and Practice

The Department is a national leader in gas pipeline safety. The Pipeline Engineering and Safety Division's actions in response to violations of gas-related safety regulations have gained the recognition of US DOT and agencies in other states. With more LNG plants than any other state in the country, the Commonwealth's LNG safety regulations are among the most stringent in the country.

Massachusetts is one of only a few states that has addressed the important issue of replacement or abandonment of aged cast-iron pipe. The Department's regulations require pipeline operators to prioritize and replace segments of old cast-iron pipe in accordance with Department-developed criteria. In addition, companies must replace or abandon such pipes, subject to specific criteria, when third-party excavation occurs nearby.

The Department has taken measures to address the potential safety hazards posed by unused service lines. The Department has updated existing regulations requiring the abandonment of unused lines. The regulations also specify more stringent gas leakage survey methods for operating lines.

2005 Pipeline Safety Division Accomplishments

In 2005, the Pipeline Safety Division:

- Conducted 622 gas facility inspections, resulting in the issuance of 14 compliance actions relevant to 26 violations of pipeline safety regulations; collected \$33,000 in civil penalties from operators who violated the pipeline safety regulations.
- Completed investigations of a fire at a house in Sudbury, an explosion and fire in New Bedford, a fire and explosion at a house in Walpole, and an explosion at a house in Weston.
- Investigated 1,535 reports of Dig Safe violations; issued 420 Notices of Probable Violation for violations against the Dig-Safe Law; collected \$150,500 in civil penalties from Dig Safe violators.
- Tested 222,660 gas meters, thereby collecting \$2,286,870 in meter testing fees.

Transportation Division

Overview

The Transportation Division regulates the rates and practices of common carriers used to transport merchandise and people, including trucks, railways, buses, household moving companies, towing companies and hazardous waste. In addition, the Transportation Division licenses all intra-state Massachusetts-based motor bus companies. The Transportation Division investigates and may hold fitness hearings after a consumer complaint, a driving violation, or an accident involving a common carrier. Undoubtedly, the most critical function of the Division is public safety. The other major responsibility of the Transportation Division is consumer protection.

Although no assessments are levied against regulated common carriers, these companies are subject to fees for services such as licensing, inspection, and examination. These revenues are not retained by the Department, but are deposited directly into the Commonwealth's General Fund. During 2005, the Transportation Division generated approximately \$3.1 million in revenues which was deposited into the General Fund.

Critical Public Safety Functions

In accordance with the provisions of G.L. c. 90, § 8A and G.L. c. 159A, § 9, the Transportation Division issues both School Bus Driver Certificates and Motor Bus Driver Certificates. During 2005, the Transportation Division issued over 2,000 new school bus driver certificates. Ensuring a cadre of reliable school bus drivers is essential to children's safety. The Transportation Division licenses all school bus drivers in Massachusetts after (1) reviewing a physician's exam, (2) evaluating driving records, (3) performing a criminal record check and Sex Offender Registry Review, and (4) administering a three-part driving test. The Transportation Division works with the Registry of Motor Vehicles and the industry to set standards for school bus driver and other commercial driver training and qualifications.

School Bus Driver Certificates and Motor Bus Driver Certificates issued in 2005

School Bus Driver Certificates:	12,102
(new and renewals)	
Motor Bus Driver Certificates:	938

Total Certificates issued:	13,040
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On-Site School Bus Driver Compliance Reviews

In cooperation with the State Police, Transportation Division staff performs periodic, random compliance reviews of school bus drivers. The reviews are conducted on-site, at schools and are arranged so as not to interfere with the school day. Division staff reviews the driver's license and certification while a state police officer conducts a safety inspection of the school bus.

On-Site School Bus Driver Compliance Reviews for 2005

During calendar year 2005, one statewide compliance review was performed in October:

Companies	Drivers	Total Violations Identified
34	256	74

Safety Oversight of Transit Authorities and Passenger For-Hire Bus Companies

State law specifies the Department as the oversight agency responsible for the safety of equipment and operations of all transit authorities and passenger for-hire bus companies in Massachusetts including transit bus systems, motor coaches and sightseeing vehicles. The Division performed 3,971 safety inspections during 2005.

The Federal Transit Administration ("FTA") requires that states oversee the safety and security of Rail Fixed Guideway Systems. The Massachusetts Bay Transportation Authority ("MBTA") is the only Massachusetts transit authority which operates a rail fixed guideway system. As required by G.L. c. 161A, § 3(I) and 49 C.F.R. § 659, the Transportation Division oversees the safety and security program plans of the MBTA, the fifth largest transit authority in the United States, and monitors compliance with the Department's safety and security program standard. While other states with smaller transit authorities often dedicate an entire regulatory division to overseeing the transit authority, MBTA oversight is but one responsibility of the Transportation Division. A random inspection of MBTA subway cars is a component of this oversight program. During 2005, the Division participated in 45 internal transit safety/security audits. The Transportation Division annually reviews, tests and approves the System Safety Plan and Security Program Plan created by the MBTA. Transportation Division staff works closely with MBTA staff conducting on-site inspections of facilities and equipment. In addition, Transportation Division staff reviews and participates in internal safety and security audits to further enhance compliance and safety.

Also, as required by the FTA, in July 2005 the Department conducted a triennial audit of the MBTA as a means to test both the MBTA's System Safety Plan and

Security Program Plan. The Transportation Division performed the safety portion of the audit and hired a transit security consultant to conduct the security portion of the triennial audit.

In addition, under authority delegated by the Federal Railroad Administration and as required by G.L. c. 160, the Transportation Division performs inspections of new installations and upgrades of highway/railroad grade crossing signal systems.

Safety Inspections in 2005

Transit bus, motor coach and sightseeing vehicles	3,971
Highway/railroad grade crossing signal systems (New installation/upgrades)	4
Transit audits	45
New Entrant Safety Audit	32
<hr/>	
Total Safety Inspections:	4,052

Licensing of Certain Common Carriers

In accordance with G.L. c. 159B, § 3 and G.L. c. 159A, §§ 7 and 11A, the Transportation Division licenses common carriers transporting people or property by vehicle. During 2005, the Transportation Division conducted 109 licensing hearings.

Licensing Hearings 2005

Bus Companies	28
Tow Companies	41
Household Movers	40
Hazardous Waste	0
<hr/>	
Total:	109

In addition, 195 licenses were revoked or disciplinary action taken for carriers that failed to maintain insurance and/or to obtain current-year identification devices.

Provision of Decals and Permits

Vehicle specific decals and permits (for trucks, buses, etc.) are required by law to denote a licensed common carrier. In 2005, the Transportation Division issued 10,460 decals and permits, collecting over \$581,000 in revenues.

Consumer Complaint Investigations

In accordance with the provisions of G.L. c. 159B, § 6B and 220 C.M.R. § 272.00, the Transportation Division regulates the price and service related to the towing and storage of vehicles without the permission of the owner or operator. The Transportation Division will respond to or investigate consumer complaints submitted in writing. The Transportation Division received 153 consumer complaints in 2005.

Consumer Complaints 2005

Complaints regarding tow companies:	119
Number of complaints resulting in a refund:	79 (66%)
Total dollars refunded:	\$ 6,787.75
Average refund	\$ 85.92

Complaints regarding moving companies:	34
Number of complaints resulting in a refund:	20
Total dollars refunded:	\$ 5,034.66
Average refund	\$ 251.73

Total Refunds to Consumers	\$11,822.41
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Inter-Agency Cooperation

The Transportation Division interacts with the following Massachusetts trade groups, and state and federal agencies:

- Statewide Towing Association (“STA”). The STA petitions the Department for rate relief regarding police/public authority ordered tow rates. The maximum rate for “involuntary tows” is established through a Department rulemaking procedure.
- School Transportation Association of Massachusetts (“STAM”). STAM represents the school bus industry in Massachusetts. The Transportation Division licenses all the school bus drivers in Massachusetts. The Transportation Division works with STAM to formulate outreach programs such as safety training for drivers and school bus company personnel.
- New England Bus Transportation Association (“NEBTA”). NEBTA represents the motor bus industry in Massachusetts. All Massachusetts-based motor bus companies must be licensed by the Department. NEBTA occasionally intervenes on behalf of a member at a license hearing.

- Massachusetts Movers Association (“MMA”). The MMA represents the moving industry in Massachusetts. Household goods movers are regulated by the Department.
- U.S. Department of Transportation, Federal Motor Carrier Safety Administration (“FMCSA”). The FMCSA conducts carrier safety audits of Massachusetts-based truck and motor bus companies. FMCSA provides guidance regarding federal safety regulations and commercial driver qualifications. The Transportation Division provides assistance by conducting New Entrant Safety Audits on behalf of FMCSA. Further, the Division provides feedback to the FMCSA regarding the safety practices of motor bus companies based in Massachusetts.
- Federal Transit Administration (“FTA”). The FTA publishes rules which mandate a state safety/security oversight program for subway systems. The Department is the oversight agency for the MBTA subway operations and the state oversight agency for all 15 transit agencies in Massachusetts.
- Federal Railroad Administration (“FRA”). The Department is mandated by statute to ensure all new and modified highway/railroad grade crossing signal systems operate in accordance with FRA regulations. No changes to a highway/railroad grade crossing signal system can occur without a “Notice to Proceed” from the Department. The Department participates in the FRA State Rail Safety Participation program.
- Commercial Vehicle Safety Alliance (“CVSA”). CVSA is an international association of state, provincial, and federal officials responsible for the administration and enforcement of motor carrier safety laws in the United States, Canada and Mexico. CVSA’s mission is to promote commercial motor vehicle safety and security by providing leadership to law enforcement, the bus and truck industry, and policy makers. The Transportation Division Assistant Director is the Chairman of the CVSA Passenger Carrier Committee.
- Massachusetts State Police (“MSP”). The Department works with the MSP Commercial Vehicle Enforcement Section to conduct bus inspections at facilities and destinations.
- Registry of Motor Vehicles (“RMV”). The Department, through a Memorandum of Understanding with the RMV, licenses all school bus drivers in the Commonwealth, conducts school bus driver compliance reviews and administers the Commercial Driver License (“CDL”) exam for all new school/motor bus drivers.

Legal Division

Overview

The Legal Division staff serves as the chief legal and policy advisor to the Commission and provides legal support to all divisions of the Department. The Legal Division also serves as the Department's primary liaison with the Legislature, particularly the Committees on Telecommunications, Energy and Utilities; Ways and Means; Economic Development and Emerging Technologies; and Transportation.

Division Responsibilities

Formal Adjudication

The Legal Division's primary duty is presiding over adjudicatory proceedings conducted under the Massachusetts Administrative Procedures Act (G.L. c. 30A) and the Department's procedural regulations (220 C.M.R. §1.00). During 2005, the Legal Division participated in the issuance of 211 Orders. A list of the Orders issued is attached at Appendix 3.

Adjudications are the formal determination of parties' rights through a quasi-judicial process. All parties – both the party filing the action and any intervenors – are entitled to due process safeguards, meaning that the parties are entitled to adequate notice and the opportunity to be heard. Parties to the action have the right to present evidence, cross-examine witnesses, and receive a written decision from the Department. Pursuant to G.L. c. 25, § 4, the Chairman of the Department may delegate authority to an attorney from the Legal Division, known as the "Hearing Officer," to preside over Department adjudications.

Adjudicatory proceedings vary in complexity and may be divided into categories including:

- Utility ratemaking;
- Review of utility long-range forecast and supply planning;
- Review of utility financial transactions (e.g., stock, bond, and security issuances);
- Review of proposed utility mergers;
- Resolution of billing disputes between residential consumers and utilities;

- Review of proposed energy facility construction and siting (e.g., electric generation facilities and transmission lines); and
- Certification of common carriers to do business within the Commonwealth (e.g., telecommunications companies, truck companies, bus companies).

In conducting a formal adjudicatory proceeding, the Department generally holds two types of hearings: (1) a public hearing, and (2) an evidentiary hearing. Public hearings are publicized throughout the utility's service territory. In certain types of cases, public hearings are held in a utility's service territory. Public hearings are transcribed by a stenographer. If held in a utility's service territory, public hearings are conducted during the evening, usually in an easily accessible public building such as the Town Hall, and are usually presided over by a Commissioner. The public hearings afford local consumers the opportunity to learn more about a rate request, offer their input about the pending case, and comment on the practices of the utility. Residential and business customers are a valuable source of information to the Department in developing a case record.

Evidentiary hearings are conducted in a courtroom setting in the Department's Boston offices. These proceedings are also transcribed by a stenographer. The hearings are presided over by the Hearing Officer, with the active participation of the Department's technical staff. The technical staff participates by questioning witnesses to ensure that the record is accurate and complete.

While the adjudicatory process does not require adherence to all formal rules of evidence, the evidentiary hearing process follows many rules of civil procedure, and parties are almost always represented by counsel from the utility bar. Evidentiary hearings afford intervenors the opportunity to question company witnesses. In many rate cases, the Attorney General of the Commonwealth is an intervenor. Other intervenors may include public interest organizations, DOER, and local consumer, business or neighborhood groups. Sometimes intervenors put on a direct case with witnesses of their own.

The Department issues a Final Order at the conclusion of each adjudicatory proceeding, based on the evidence in the record. Pursuant to G.L. c. 25, § 5, the Department's Final Order is appealable directly to the Massachusetts Supreme Judicial Court without intermediate appellate review. In certain circumstances, Department Orders may also be appealed to the Federal District Court or the FCC.

Other Types of Adjudication

Requests for Advisory Ruling

The Department is sometimes called upon to issue advisory rulings with respect to the applicability of any statute or regulation enforced or administered by the

Department. The Department has discretion to decline a request for an advisory ruling. G.L. 30A, § 8; 220 C.M.R. § 2.08.

Notice of Inquiry Proceedings

The Department issues a Notice of Inquiry (“NOI”) when the agency desires public input on a particular issue. Thus, NOIs are Department-initiated investigations that are neither formal adjudications nor rulemakings. The goal of the NOI is to encourage broad input in the development of public policy. The Department derives authority to issue a NOI from G.L. c. 164, § 76.

Participants in an NOI proceeding file comments and may provide sworn testimony. However, participants are not cross-examined and do not have appeal rights. The order issued at the close of the investigation is usually a general policy statement with guidelines for future actions by utilities or by the Department. The policy established through the NOI may be further developed in the future through company-specific adjudications.

Rulemakings

The Department conducts rulemakings pursuant to G.L. c. 30A, §§ 4-10 and 220 C.M.R. § 2.00, to adopt, amend or repeal regulations pertaining to the activities of all industries the Department is charged by statute with regulating. A rulemaking proceeding may involve simple procedural regulations or may address complex regulatory issues. The Department is required to provide public notice of a proposed rulemaking and to allow an opportunity for public comment. After consideration of the public comment, the Department may issue final regulations. Any final regulation must be published in the Code of Massachusetts Regulations.

Policy and Planning Division

The Policy and Planning Division was formed in 2004 to assist the Department in its efforts to promote a robust and competitive energy and telecommunications industry in Massachusetts. The Division is responsible for directing a multi-disciplinary group charged with the analysis, development, and implementation of policy objectives for the Commission and Administration in the gas, electric, telecommunications and cable sectors. The Division develops and analyzes data; advises cabinet secretary-level administration officials on policy alternatives, goals, and strategies; and proposes legislation and revising regulations to implement policies and procedures. The Division tracks federal and regional policy trends and suggests appropriate policy and regulatory responses as they affect consumers, ratepayers, and regulated industries.

During 2005, the Policy and Planning Division worked on a long-range integrated energy plan for Massachusetts with staff from the Division of Energy Resources and the Office of Consumer Affairs and Business Regulation. The key issues identified included:

- The projected growing deficit in peak generating capacity is forecasted to develop in the 2008 - 2010 framework due to continued demand growth and lack of plans for new capacity.
- Current dependence upon natural gas leaves Massachusetts vulnerable to supply disruptions and to high and volatile gas and electric prices.
- There exists a growing inadequacy of gas infrastructure in Massachusetts and New England.
- Aging electric transmission and distribution systems need to be expanded and/or upgraded to improve reliability.
- To capture the full benefits of competition envisioned with the 1997 Electric Industry Restructuring Act all electric consumers need to have competitive supply options and receive pricing signals that reflect the true costs of consuming power as it varies by hour and season.
- Massachusetts needs to continue to promote efficient energy use to reduce the stress on energy infrastructure and to put downward pressure on energy prices

As Massachusetts headed into the Winter of 2005 - 06, with the gas supply disruptions from Hurricanes Katrina and Rita and the experience of gas shortages for power generation in the Cold Snap of 2004, the Policy and Planning Division helped to orchestrate state preparations to assure that heating and power generation requirements could be met. Within the Department the focus was on assuring electric

reliability by encouraging the addition of oil-firing capability to gas-only power plants and facilitating communications between the electric and gas industries throughout the winter.

Consumer Division

Overview

The Consumer Division is responsible for enforcing and monitoring compliance with Massachusetts laws and Department regulations protecting consumers of gas, electricity, telecommunications, water, and cable services. Over one thousand companies fall within the scope of the Consumer Division's regulatory authority, with the largest number in the telecommunications industry.

Fulfilling its statutory and regulatory responsibilities requires the Consumer Division to:

- Respond to nearly 50,000 telephone inquiries annually from consumers;
- Investigate nearly 7,000 complaints annually;
- Contact utility personnel on a regular basis, ordering widespread changes in billing practices or customer policy when necessary;
- Provide annual training for utility consumer representative managers;
- Conduct informal hearings;
- Approve bill notices and billing inserts;
- Gather and keep statistics for reporting and informational purposes; and
- Advise the Department on important consumer issues.

Division Responsibilities

Responses to Consumer Inquiries

The Consumer Division's most important duty is to respond to the roughly 200 to 300 plus contacts it receives daily concerning utility and cable companies. Consumers may contact the division by phone, mail, email, or by visiting the office. The vast majority of consumer contacts are by telephone. Contacts to the Consumer Division are further categorized as either inquiries or referrals, for which information may be given, or complaints, for which cases are opened.

The Consumer Division operates a call center management system which allows its staff to provide direct personal attention to consumer inquiries and complaints, while also allowing for automated voice-activated assistance and transfers to those

consumers who wish to reach their utility or cable company directly. The voice-activated system, known as Parlance, frees the Consumer Division's utility specialists to focus on calls requiring Consumer Division expertise.

Investigation and Resolution of Consumer Complaints

Every utility or cable complaint opened by the Consumer Division must be resolved before it can be closed. Since 2000, the Division has handled an average of nearly 9,500 complaints annually. The majority of the complaints concern billing disputes, those having difficulty paying their bills, or poor quality of service allegations. In those cases in which the utility company is found to be at fault, the Consumer Division will order the company to correct the problem and to make any necessary refunds, referred to as billing adjustments.

If a residential consumer or utility company is not satisfied with the resolution of a complaint filed with the Consumer Division, either party may request an informal hearing. A regulatory specialist who was not involved in investigating the initial complaint will conduct the informal hearing and issue a written decision. Parties unhappy with the informal decision may request a formal adjudicatory hearing conducted by a Hearing Officer in the Department's Legal Division.

The unauthorized switching of a consumer's telephone service provider, or electric generation service provider, is known as slamming and is a violation of the law. Companies that engage in slamming may be subject to a fine. The Consumer Division enforces both federal and state laws which prohibit slamming. If the Department determines that an unauthorized switch has occurred, consumers will receive a refund of any unauthorized charges that they paid. Under Massachusetts law, consumers must bring telephone service slamming complaints within 90 days and electric generation service slamming complaints within 30 days.

Utility Compliance Training

To help increase compliance with Department regulations, the Consumer Division holds annual utility managers' meetings. At these meetings, Consumer Division staff reviews regulations pertaining to billing, protections from shut-offs, policies on abatements, and other areas of consumer protection. Noncompliance with these regulations may require a company to issue a refund or resume service after a shut off.

Review of Utility Bills and Notices

The Consumer Division is responsible for reviewing utility billing material and notices. The Consumer Division reviews bill format changes, bill inserts and notices, including rate change notices, as well as informational letters sent to consumers. The Consumer Division may recommend changes to notices where necessary to ensure that consumers are provided clear and accurate information.

Consumer Education

Electric restructuring has changed how electricity consumers may purchase their electric generation supply. The Consumer Division, in conjunction with electric utilities, has been educating consumers about electric deregulation, electric generation and how to select an electric supplier. Consumers now have the option of purchasing their electric supply from a competitive supplier rather than from their utility company.

The Consumer Division periodically develops informational brochures on important subjects in the utility industry, such as electric deregulation, telecommunications slamming, and how to address high heating costs. The Consumer Division staff will speak at meetings with legislative staff or community organizations like the United Way to provide information to case workers who assist low-income and elderly utility consumers.

Compilation of Statistics

In its computer database, the Consumer Division maintains a record of each consumer complaint and inquiry. The complaint data include the name of the customer and the utility, the type of utility service, the nature of the complaint, whether the complaint resulted in a hearing, and whether an adjustment was made on the bill. The database also keeps track of additional data, including the number and category of calls by industry, company, and regulatory specialist investigating the call.

The Consumer Division generates monthly statistical reports for the Department which include cases, inquiries, and bill adjustment amounts per industry and their percentage increase or decrease in the previous twelve-month average. The reports compare companies using measures such as the number of residential complaints per 1,000 customers, and the total number of complaints per month. The Consumer Division provides statistical information to the Department, utilities, government representatives and the media. The statistical complaint data compiled by the Consumer Division provides an important basis for determining whether fines should be levied against a utility for failure to meet required service quality benchmarks or whether there is a need for increased fuel assistance funding for low-income consumers. Statistical complaint data may also provide evidence of fraud or unfair trade practices, and if so this information may be shared with the state Attorney General's Office.

Consumer Division 2005 Accomplishments

Appendix 4 contains Consumer Division statistics by industry for calendar year 2005.

- The Consumer Division received a total of 48,036 consumer contacts in 2005. Of these contacts: (1) 13,150 were general inquiries from consumers; (2) another 6,880 resulted in consumer complaints against a

utility or cable company; and (3) 28,006 calls were transferred to a utility or cable company by the Division's automated phone transfer system, Parlance, because consumers wished to reach the company directly.

- In 2005, the Consumer Division investigated 112 telecommunications slamming allegations.
- The Consumer Division issued \$350,040.75 in refunds (bill adjustments) to consumers as a result of its case investigations.

Executive Division

The Executive Division provides administrative support to the Department for purchasing, accounts receivable and payable, personnel management, budget preparation and management, public relations, and the oversight of administrative services. The Executive Division also serves as liaison to the Office of Consumer Affairs and Business Regulation ("Consumer Affairs"), the Fiscal Affairs and Human Resources Divisions in the Executive Office for Administration and Finance, and various jurisdictional legislative committees.

The Executive Division manages the Department's budget, which is funded almost entirely by assessments against electric, gas, telecommunications and cable companies under the Department's jurisdiction. For Fiscal Year 2006, the Department's budget is \$12,439,641.

Budgetary Direct Appropriations:	\$8,478,495
Transportation Division:	\$ 532,857
Electric Restructuring Trust:	\$3,428,289

In Fiscal Year 2005, the Department's revenues through fees, fines and permits was \$7,037,646. In addition, revenues from assessments on utilities in the amount of \$8,319,802 were deposited in the general fund to offset the Department's appropriations. The total revenue credited to the Department was \$15,357,802.

The Executive Division drafts and issues all press releases on behalf of the Department, responds to all media inquiries, and prepares speaking points and briefing materials for Consumer Affairs and the Governor's Press Office.

The administrative services area in the Executive Division consists of Administration and Management Information Systems ("MIS"). Administration is responsible for publishing notices of all Department public hearings and meetings and makes all the arrangements for outside hearings. In 2005, the Department conducted a total of 140 hearings. Although most of the hearings are held in the Department's South Station Offices, the Department also conducted 33 public hearings in other locations throughout the state.

Administration also processes all docket filings and Orders issued by the Department and manages the records retention program. Staff processed 211 decisions to multiple parties and intervenors in the Department dockets in Calendar Year 2005. Additionally, staff responded to hundreds of requests for information from docketed matters, sometimes necessitating retrieval of records from the State Archives.

Staff also provided administrative support to the legal division by certifying the official records of cases appealed to the Supreme Judicial Court and other appellate courts.

MIS is responsible for the operation and maintenance of the Department's information technology systems, telephone system, and Website. The Department uses a variety of technologies to disseminate information to the citizens of the Commonwealth, to Department staff, and to the utility companies that the Department regulates.

During Fiscal Year 2005, the Executive Division implemented the upgrade of the Department's computers to Dell Optiplex GX280s with MicroSoft Office 2003 and WordPerfect 12 installed. Network servers were also upgraded to provide adequate support for the new systems.

The Department also hired a professional computer trainer to conduct more than fifty in-house courses over a five month period. The courses included core classes that all staff were encouraged to attend such as File Management and Outlook, intermediate classes in word processing, Excel and PowerPoint, and more advanced classes for heavy users in Excel and Access.

Appendix 1 - Cable Division Orders Issued in 2005

<u>Date Issued</u>	<u>Docket Number</u>	<u>Operator/Subject</u>
June 8, 2005	CTV 04-8	Adelphia Cable Communications, Inc. - Rate Order
June 16, 2005	CTV 04-8	Adelphia Cable Communication, Inc. - Order on Compliance Filing
July 19, 2005	CTV 03-4	Time Warner Cable - Order on Refund Plan
August 8, 2005	CTV 03-4	Time Warner Cable - Order Rejecting Compliance Filing
August 30, 2005	CTV 04-3/04-4	Comcast Cable Communications - Rate Order
September 16, 2005	CTV 04-5 (Phase I)	Time Warner Cable - Rate Order
November 30, 2005	CTV 04-5 (Phase II)	Time Warner Cable - Rate Order
December 13, 2005	CTV 04-6	Charter Communications - Rate Order
December 28, 2005	CTV 04-6	Charter Communications - Order on Compliance Filing

Appendix 2 - 2005 Siting Board Decisions, Department Orders and Siting Board Federal Agency Filings

Energy Facilities Siting Board

1. EFSB 04-1/DTE 04-5/DTE 04-7; Petitions of Boston Edison Company, d/b/a NSTAR Electric, for (1) Approval to Construct a Three-Circuit 345 kV Transmission Line and Ancillary Facilities in the City of Boston and the Towns of Stoughton, Canton and Milton; (2) a Determination that the Proposed 345 kV Transmission Line Project is Necessary and Will Serve the Public Convenience and be Consistent with the Public Interest; and (3) an Exemption from the Zoning By-Laws of the Town of Stoughton and the City of Boston.

Transmission line; Final Decision issued January 14, 2005.

2. EFSB 02-2; Petition of Cape Wind Associates and Commonwealth Electric Company, d/b/a NSTAR Electric for Approval to Construct Two 115 kV Electric Transmission Lines.

Transmission line; Final Decision issued May 11, 2005.

3. EFSB 05-1; Petition of The Berkshire Gas Company for Approval to Construct Natural Gas Distribution Facilities in Northampton and Hatfield, Massachusetts.

Natural gas pipeline; Tentative Decision issued December 21, 2005; Final Decision issued January 13, 2006.

Department of Telecommunications and Energy

1. DTE 04-66/04-81; Petitions of New England Power Company and Massachusetts Electric Company for Exemptions from the Zoning Ordinance of the City of Haverhill.

Substation zoning exemption; Order issued March 3, 2005 (New England Power Company).

2. DTE 03-128; Petition of New England Power Company; Petition for Exemption from the Zoning Ordinance of the City of Salem.

Capacitor banks zoning exemption; Order issued March 21, 2005.

3. DTE 04-71; Petition of Boston Edison Company, d/b/a NSTAR Electric for Approval to Relocate a Transmission Line.

Transmission line, Section 72; Order issued March 23, 2005.

4. DTE 04-66/04-81; Petitions of New England Power Company and Massachusetts Electric Company for Exemptions from the Zoning Ordinance of the City of Haverhill.

Substation zoning exemption; Order issued May 26, 2005 (Massachusetts Electric Company).

5. DTE 05-1; Petition of Commonwealth Electric Company, d/b/a NSTAR Electric for Approval to Construct and Operate a Transmission Line and Ancillary Lines in the Town of Barnstable.

Transmission line; Order issued July 12, 2005.

Federal Agency Filings

1. Weaver's Cove Energy, LLC and Mill River Pipeline, LLC, FERC Nos. CP04-36-000, CP04-41-000, CP04-42-000, and CP04-43-000.

On-shore LNG terminal and natural gas pipeline; EFSB comments filed January 30, 2004; Request for Rehearing and Reargument filed August 12, 2005; Appeal to US District Court, 1st Circuit, filed January 26, 2006.

2. Algonquin Gas Transmission, LLC, Northeast Gateway Pipeline Lateral Application, FERC No. CP05- 383-000.
Northeast Gateway Energy Bridge, LLC, Liquefied Natural Gas Deepwater Port License Application, USCG-2005-22219.

Off-shore LNG terminal and natural gas pipeline; EFSB comments filed with FERC and United States Coast Guard ("USCG") November 15, 2005.

3. Neptune LNG, LLC Liquefied Natural Gas Deepwater Port License Application, USCG-2005-22611.

Off-shore LNG terminal; EFSB comments filed with USCG November 17, 2005.

Appendix 3 - Department Orders Issued in 2005

Docket Number	Case Description	Date Issued	Order Type
D.T.E. 04-85	Petition of Boston Edison Company and Commonwealth Electric Company for approvals relating to the restructuring of power purchase agreements with Northeast Energy Associates Limited Partnership	January 7, 2005	Order
D.T.E. 03-05	Review by the Department, pursuant to G.L. c. 25, § 19 and G.L. c. 25A, § 11G, of Western Massachusetts Electric Company's 1998, 1999 and 2000 Demand-Side Management Performance Measurement Reports	January 12, 2005	Order
D.T.E. 03-AD-01	Adjudicatory hearing in the matter of complaint of John Lee relative to the electric services sold by NSTAR Electric/Boston Edison Company	January 12, 2005	Order
D.T.E. 04-8	Application of Fitchburg Gas & Electric Light Company for approval by the Department of a waiver from the requirement in 220 C.M.R. 101.00 for installation of curb valves on certain service lines	January 12, 2005	Stamp Approval
N/A	Interconnection Agreement between ACC National Telecom Corp. and Verizon Massachusetts	January 18, 2005	Stamp Approval
N/A	Interconnection Agreement between AT&T Communications of New England and Verizon Massachusetts	January 18, 2005	Stamp Approval
N/A	Interconnection Agreement between Teleport Communications - Boston and Verizon Massachusetts	January 18, 2005	Stamp Approval
D.T.E. 04-78	Petition of Commonwealth Electric Company d/b/a NSTAR Electric to the Department for approvals relating to the termination of its obligations to purchase electricity under a power purchase agreement with Dartmouth Power Associates Limited Partnership	January 21, 2005	Order
D.T.E. 04-61	Petition of Boston Edison Company and Commonwealth Electric Company d/b/a NSTAR Electric to the Department for approval of the buyout and termination of existing power purchase agreements with MASSPOWER; and ratemaking treatment associated with the costs	January 21, 2005	Order
D.T.E. 04-70	Petition of Boston Edison Company and Commonwealth Electric Company d/b/a NSTAR Electric to the Department for approvals relating to the issuance of rate reduction bonds pursuant to G.L. c. 164, § 1H	January 21, 2005	Order
D.T.E. 04-28-L	Town of Braintree Electric Light Department request for authorization to increase its 2005 depreciation fund up to five percent	January 25, 2005	Order

Docket Number	Case Description	Date Issued	Order Type
D.T.E. 04-121	Rulemaking by the Department pursuant to 220 C.M.R. § 2.00 <u>et seq.</u> , for the purpose of amending 220 C.M.R. § 7.00 <u>et seq.</u> ; 220 C.M.R. § 11.00 <u>et seq.</u> ; 220 C.M.R. § 13.00 <u>et seq.</u> ; 220 C.M.R. § 14.00 <u>et seq.</u> , 220 C.M.R. § 25.00 <u>et seq.</u> ; and 220 C.M.R. § 45.00 <u>et seq.</u>	January 27, 2005	Order
D.T.E. 03-50	Verizon New England Inc. d/b/a Verizon Massachusetts Performance Assurance Plan	January 28, 2005	Order
N/A	Interconnection Agreement between Level 3 Communications, LLC and Verizon Massachusetts	January 28, 2005	Stamp Approval
N/A	Interconnection Agreement between XO Massachusetts, Inc. and Verizon Massachusetts	January 31, 2005	Stamp Approval
N/A	Fitchburg Gas & Electric Light Company Default Service Rates	January 31, 2005	Stamp Approval
D.T.E. 04-115-A	Request for comments on the procurement of default service power supply for residential and small commercial and industrial customers	February 8, 2005	Order
N/A	Interconnection Agreement between Cordia Communications Corp. and Verizon Massachusetts	February 11, 2005	Stamp Approval
D.T.E. 04-90	Massachusetts Emergency Management Agency nuclear generating facilities request for assessment pursuant to Section 2 of Chapter 43 of the Acts of 1997	February 18, 2005	Order
D.T.E. 04-76	Petition by Aquaria LLC, for determination regarding the applicability of G.L. c. 164 and G.L. c. 165, including its status as a water company and its obligations regarding any consolidation, sale, merger, financing, and annual reporting	February 25, 2005	Order
D.T.E. 04-63	Petition of NSTAR Gas Company for approval by the Department to modify its gas-purchasing practices, consistent with the Department's policy directives in D.T.E. 01-100	February 28, 2005	Letter Order
D.T.E. 04-77	Aquarion Water Company request for deferral of certain expenditures in connection with treatment of water supply wells in Millbury	February 28, 2005	Order
D.T.E. 05-2	Petition of Massachusetts Electric Company and Nantucket Electric Company for approval by the Department of proposed March 1, 2005 retail rate adjustments for default service charge, transition charges, and transmission service charges	February 28, 2005	Order
D.T.E. 05-3	Petition of Western Massachusetts Electric Company for approval by the Department, pursuant to 220 CMR 5.00 <u>et seq.</u> , of changes to Western Massachusetts Electric Company's rate tariffs, to implement the end of Standard Offer Service, effective March 1, 2005	February 28, 2005	Stamp Approval
N/A	NSTAR Electric Default Service Rates	February 28, 2005	Stamp Approval
N/A	WMECo Electric Company Default Service Rates	February 28, 2005	Stamp Approval

Docket Number	Case Description	Date Issued	Order Type
N/A	Interconnection Agreement between Conversent Communications of Massachusetts LLC and Verizon Massachusetts	February 28, 2005	Stamp Approval
D.T.E. 04-66/04-81	Petition of Massachusetts Electric Company and New England Power Company for exemption of an electric substation additions from the zoning code of the City of Haverhill, Massachusetts, Order Granting Zoning Exemption to New England Power Company	March 3, 2005	Order
D.T.E. 04-87	Complaint of CTC Communications Corp. against Verizon Massachusetts regarding provisioning of unbundled network elements at tariffed rates	March 3, 2005	Letter Order
D.T.E. 04-119	Petition of Massachusetts Electric Company, Nantucket Electric Company, New England Power Company and New England Hydro-Transmission Electric Company, Inc., requesting Department approval of changes to the National Grid USA Money Pool, pursuant to G.L. c. 164, §17A	March 7, 2005	Order
D.T.E. 04-111	Petition of Bay State Gas Company for approval by the Department of a gas sales agreement entered into by Bay State Gas Company with BP Canada Energy Company	March 21, 2005	Order
D.T.E. 03-128	Petition of New England Power Company for an exemption by the Department from the operation of the zoning ordinances of the City of Salem, Massachusetts with respect to the construction and use of proposed additions to NEP's 115kV switchyard located at Salem Harbor Station	March 21, 2005	Order
D.T.E. 04-71	Petition of Boston Edison Company d/b/a NSTAR Electric for approval by the Department to construct and operate a transmission line, pursuant to G.L. c. 164, § 72, in the Towns of Framingham, Natick and Sherborn, Massachusetts	March 23, 2005	Order
N/A	Interconnection Agreement between RNK Telecom and Verizon Massachusetts	March 23, 2005	Stamp Approval
05-GC-1	Boston Gas Company d/b/a KeySpan Energy Delivery New England petition for approval of a 365-day firm transportation service agreement with the Trustees of Hawthorne Place Condominium Trust	March 23, 2005	Stamp Approval
05-GC-2	Boston Gas Company d/b/a KeySpan Energy Delivery New England petition for approval of a 365-day firm transportation service agreement with Caritas Norwood Hospital	March 30, 2005	Stamp Approval
D.T.E. 04-47	Petition of The Berkshire Gas Company for approval of the Department of a gas portfolio optimization agreement and a gas sales and purchase agreement executed between The Berkshire Gas Company and BP Energy Company	March 31, 2005	Stamp Approval

Docket Number	Case Description	Date Issued	Order Type
N/A	Massachusetts Electric Company Default Service Rates	March 31, 2005	Stamp Approval
D.T.E. 03-88 A-F	Investigation by the Department, pursuant to G.L. c. 164, §§ 1A(a), 1B(d), 94, and 220 C.M.R. § 11.04, into the costs that should be included in default service rates	March 31, 2005	Order
D.T.E. 05-SL-1	Adjudicatory proceeding in the matter of complaint of Charles Dunlap relative to the services provided by MCI WorldCom Communications, Inc.	April 1, 2005	Order
D.T.E. 05-EC-2	Western Massachusetts Electric Company petition for approval, pursuant to G.L. c. 164, § 94, and 220 C.M.R. § 5.00 <u>et seq.</u> , of a special contract with Kodimoh Synagogue, 124 Sumner Street, Springfield, Massachusetts	April 1, 2005	Letter Order
D.T.E. 03-AD-01	Adjudicatory hearing in the matter of complaint of John Lee relative to the electric services sold by NSTAR Electric/Boston Edison Company (Judicial Appeal Extension)	April 4, 2005	Order
N/A	Interconnection Agreement between Looking Glass Networks, Inc. and Verizon Massachusetts	April 4, 2005	Stamp Approval
D.T.E. 03-88E	Investigation by the Department, pursuant to G.L. c. 164, §§ 1A(a), 1B(d), 94; and 220 C.M.R. § 11.04, into the costs that should be included in default service rates for Massachusetts Electric Company and Nantucket Electric Company (Compliance Filing)	April 12, 2005	Stamp Approval
D.T.E. 03-98	Petition of the Towns of Franklin and Swampscott, pursuant to G.L. c. 164, § 34A to resolve a dispute between the Towns and Massachusetts Electric Company, with respect to the Towns' purchase of street lighting equipment	April 19, 2005	Letter Order
D.T.E. 04-72	Petition of Massachusetts Municipal Association on behalf of twenty-one communities requesting the Department to reaffirm existing whistle bans in effect at highway/railroad grade crossing located within these communities	April 22, 2005	Order
D.T.E. 03-26	Investigation by the Department, pursuant to G.L. c. 25, § 19 and G.L. c. 25A, § 11G, of Fitchburg Gas and Electric Light Company petition for approval of 2001 and 2002 demand side management performance incentives	April 22, 2005	Order
N/A	Interconnection Agreement between Qwest Interprise America, Inc. and Verizon Massachusetts	April 22, 2005	Stamp Approval
D.T.E. 05-26	Investigation by the Department on its own motion as to the propriety of the rates and charges set forth in the following tariff: M.D.T.E. No. 17, filed with the Department on February 22, 2005 to become effective on March 24, 2005 by Verizon New England, Inc. d/b/a Verizon Massachusetts	April 25, 2005	Stamp Approval

Docket Number	Case Description	Date Issued	Order Type
N/A	Interconnection Agreement between Qwest Communications Corp. and Verizon Massachusetts	April 27, 2005	Stamp Approval
05-GC-3	Boston Gas Company d/b/a KeySpan Energy Delivery petition for approval of a 365-day firm transportation service agreement with MATEP LLC	April 27, 2005	Stamp Approval
N/A	City of Beverly/MBTA safety directive for West Street grade crossing	April 29, 2005	Letter Order
N/A	2005 Off-Peak Cost of Gas Adjustment Factors and Local Distribution Adjustment Factors for all Local Distribution Companies	April 29, 2005	Letter Order
D.T.E. 03-88E	Investigation by the Department on its own motion, pursuant to G.L. c. 164, §§ 1A(a), 1B(d), 94; and 220 C.M.R. § 11.04, into the costs that should be included in default service rates for Massachusetts Electric Company and Nantucket Electric Company (Second Compliance Filing)	April 29, 2005	Stamp Approval
D.T.E. 03-88D	Investigation by the Department on its own motion, pursuant to G.L. c. 164, §§ 1A(a), 1B(d), 94; and 220 C.M.R. § 11.04, into the costs that should be included in default service rates for Fitchburg Gas and Electric Light Company (Compliance Filing)	April 29, 2005	Stamp Approval
N/A	Fitchburg Gas & Electric Light Company Default Service Rates	April 29, 2005	Stamp Approval
05-GC-4	Boston Gas Company petition for approval of a firm transportation agreement with Salem State College	May 3, 2005	Stamp Approval
D.T.E. 04-57	Petition of Bay State Gas Company for recovery of an exogenous cost associated with the Department's change in policy regarding the recovery of lost base revenue associated with demand side management programs	May 4, 2005	Order
D.T.E. 05-29	Petition of Fitchburg Gas & Electric Company d/b/a Unitil for approval by the Department of a Settlement Agreement regarding recovery of deferred restructuring costs	May 5, 2005	Stamp Approval
D.T.E. 04-6	Petition of New England Gas Company, pursuant to G.L. c. 164, § 69I, for approval of the Company's Forecast and Supply Plan for the Fall River and North Attleboro Service Areas for the forecast period 2003/04 through 2007/08	May 12, 2005	Order
D.T.E. 04-85	Petition of Boston Edison Company and Commonwealth Electric Company for approvals relating to the restructuring of power purchase agreements with Northeast Energy Associates Limited Partnership	May 13, 2005	Stamp Approval
05-GC-5	Boston Gas Company d/b/a KeySpan Energy Delivery petition for approval of 365-day firm transportation service agreement with the Trustees of Harbor Towers Condominium Trust	May 16, 2005	Stamp Approval

Docket Number	Case Description	Date Issued	Order Type
D.T.E. 02-84-A	Petition of Fitchburg Gas and Electric Light Company for approval of its 2002 electric reconciliation mechanism and transition charge reconciliation filing	May 19, 2005	Order
N/A	Interconnection Agreement between Brooks Fiber Communications of Massachusetts and Verizon Massachusetts	May 24, 2005	Stamp Approval
N/A	Interconnection Agreement between Intermedia Communications Inc. and Verizon Massachusetts	May 24, 2005	Stamp Approval
N/A	Interconnection Agreement between MCImetro Access Transmission Services LLC and Verizon Massachusetts	May 24, 2005	Stamp Approval
N/A	Interconnection Agreement between MCI WorldCom Communications, Inc. and Verizon Massachusetts	May 24, 2005	Stamp Approval
N/A	Interconnection Agreement between MCI WorldCom Communications, Inc./Rhythms Links and Verizon Massachusetts	May 24, 2005	Stamp Approval
D.T.E. 02-8	Investigation by the Department on its own motion, pursuant to G.L. c. 159, §§ 12 and 16, into the collocation security policies of Verizon New England Inc., d/b/a Verizon Massachusetts	May 25, 2005	Order
D.T.E. 04-66/04-81	Petition of Massachusetts Electric Company and New England Power Company for exemption of an electric substation additions from the zoning code of the City of Haverhill, Massachusetts, Order Granting Zoning Exemptions to Massachusetts Electric Company	May 26, 2005	Order
D.T.E. 03-88F	Investigation by the Department on its own motion, pursuant to G.L. c. 164, §§ 1A(a), 1B(d), 94; and 220 C.M.R. § 11.04, into costs that should be included in default service rates for Western Massachusetts Electric Company	May 31, 2005	Stamp Approval
N/A	Western Massachusetts Electric Company Semi-Annual Default Service Filing	May 31, 2005	Stamp Approval
N/A	NSTAR Electric Semi-Annual Default Service Filing	May 31, 2005	Stamp Approval
D.T.E. 04-1	An investigation by the Department regarding the assignment of interstate pipeline capacity pursuant to Natural Gas Unbundling, D.T.E. 98-32-B (1999)	June 6, 2005	Order
D.T.E. 03-04-11-A	Adjudicatory proceeding the matter of complaint of Mark Thomas relative to the services of AT&T Communications of New England, Inc. (Reconsideration)	June 9, 2005	Order
D.T.E. 05-9	Petition of Western Massachusetts Electric Company pursuant to G.L. c. 164, §14 for approval by the Department, for authority to issue long-term debt in the amount not to exceed \$50 million in principal through December 31, 2005	June 9, 2005	Order

Docket Number	Case Description	Date Issued	Order Type
D.T.E. 03-04-21-A	Adjudicatory proceeding in the matter of complaint of Subhendu Roy relative to the services provided by Optical Telephone Corp. (Reconsideration)	June 15, 2005	Order
05-GC-6	Boston Gas Company petition for approval by the Department of a 365-day firm transportation service agreement with Hanscom Air Force Base	June 16, 2005	Stamp Approval
N/A	NSTAR Electric 2005 Summer Load Response Program	June 22, 2005	Stamp Approval
D.T.E. 05-41	Petition of Massachusetts Electric Company for approval by the Department of 2004 Summer Load Relief Program for North Lowell, Dracut, E. Longmeadow, and Brockton	June 27, 2005	Stamp Approval
05-GC-7	Boston Gas Company d/b/a KeySpan Energy Delivery petition for approval from the Department of a 365-day firm transportation service agreement with 175 Freeman Street Investors L.L.C.	June 28, 2005	Stamp Approval
05-GC- 8	Boston Gas Company d/b/a KeySpan Energy Delivery petition for approval from the Department of a firm transportation service agreement with Trigen-Boston Energy Corporation	June 28, 2005	Stamp Approval
D.T.E. 03-47-B Phase II	Petition of Commonwealth Electric Company, Cambridge Electric Light Company, and Boston Edison Company, d/b/a NSTAR Electric, and NSTAR Gas Company, for approval of tariffs to provide recovery for costs associated with their obligations to provide employees pension benefits and post-retirement benefits other than pensions	June 29, 2005	Order
N/A	KeySpan 2005/2006 Peak Cost of Gas Adjustment Clause filing	June 30, 2005	Letter Order
N/A	New England Gas 2005/2006 Peak Cost of Gas Adjustment Clause filing	June 30, 2005	Letter Order
D.T.E. 05-44	Petition of Boston Edison Company d/b/a NSTAR Electric requesting approval of (1) a proposed reduction to its transition charge, (2) a proposed reduction in its distribution rates in accordance with a settlement approved in D.T.E. 03-88, and (3) a proposed increase to its distribution rates related to the end of standard offer service	June 30, 2005	Order
D.T.E. 05-45	Petition of Cambridge Electric Light Company requesting approval of (1) a proposed increase to its transition charge, (2) a proposed reduction in its distribution rates in accordance with a settlement approved in D.T.E. 03-88, and (3) a proposed increase to its distribution rates related to the end of standard offer service	June 30, 2005	Order

Docket Number	Case Description	Date Issued	Order Type
D.T.E. 03-6	Review by the Department, pursuant to G.L. c. 25, §19 and G.L. c. 25A, § 11G of Boston Edison Company, Cambridge Electric Company and Commonwealth Electric Company's 1998, 1999 and 2000 Demand-Side Management Performance Measurement Report	June 30, 2005	Order
D.T.E. 04-113-A	Petition of Boston Edison Company d/b/a NSTAR Electric for approval of its 2004 Transition Cost Reconciliation Filing, pursuant to G.L. c. 164, § 1A(a), 220 C.M.R. § 11.03(4)(e) (Interlocutory Order)	June 30, 2005	Order
D.T.E. 04-86	Petition of Colonial Gas Company d/b/a KeySpan Energy Delivery for approval of its 2004-2005 Exogenous Cost Recovery associated with Lost Base Revenues	July 11, 2005	Order
D.T.E. 05-1	Petition of Commonwealth Electric Company d/b/a NSTAR Electric for approval by the Department of a transmission line in the Town of Barnstable, pursuant to G.L. c. 164, § 72	July 12, 2005	Order
05-GC-9	NSTAR Gas Company request for approval by the Department of a Firm Transportation Agreement with The President and Fellows of Harvard College	July 12, 2005	Stamp Approval
D.T.E. 04-33	Petition of Verizon New England, Inc., d/b/a Verizon Massachusetts for Arbitration of Interconnection Agreements with Competitive Local Exchange Carriers and Commercial Radio Service Providers in Massachusetts pursuant to Section 252 of the Communications Act of 1934, as amended, and the Triennial Review Order	July 14, 2005	Order
D.T.E. 05-AD-1	Adjudicatory proceeding in the matter of complaint of Ingrid Calder relative to the rates and charges for services provided by NSTAR Electric and Gas Company	July 18, 2005	Order
N/A	Interconnection Agreement between Ernest Communications, Inc. and Verizon Massachusetts	July 18, 2005	Stamp Approval
D.T.E. 04-93	Petition of Bay State Gas Company for authority to recover exogenous costs associated with lost base revenues	July 29, 2005	Order
N/A	Interconnection Agreement between Brooks Fiber Communications of Massachusetts and Verizon Massachusetts	July 29, 2005	Stamp Approval
N/A	Interconnection Agreement between Intermedia Communications Inc. and Verizon Massachusetts	July 29, 2005	Stamp Approval
N/A	Interconnection Agreement between MCI Metro Access Transmission Services, LLC and Verizon Massachusetts	July 29, 2005	Stamp Approval
N/A	Interconnection Agreement between MCI WorldCom Communications, Inc. and Verizon Massachusetts	July 29, 2005	Stamp Approval

Docket Number	Case Description	Date Issued	Order Type
N/A	Interconnection Agreement between MCI WorldCom Communications/Rhythms Links and Verizon Massachusetts	July 29, 2005	Stamp Approval
05-GC-12	Boston Gas Company d/b/a KeySpan Energy Delivery New England request for approval by the Department of a 365-Day Firm Transportation Service Agreement with Massachusetts Port Authority	August 2, 2005	Stamp Approval
D.T.E. 05-38	Petition of Southern Union Company to the Department for authorization and approval pursuant to G.L. c. 164, §11 and § 14, to issue and distribute up to 5.5 million shares of common stock	August 12, 2005	Order
D.T.E. 05-43	Petition of The Berkshire Gas Company to the Department for approval of its second annual Price Cap Mechanism Plan rate adjustment filed pursuant to D.T.E. 04-52 (2004)	August 17, 2005	Stamp Approval
05-GC-13	Fitchburg Gas and Electric Light Company d/b/a Unitil request for approval of the Department of a special firm transportation agreement with The Newark Group d/b/a Newark America	August 18, 2005	Stamp Approval
D.T.E. 05-SL-10	Adjudicatory proceeding in the matter of complaint of John Ober relative to the services provided by Verizon Massachusetts	August 19, 2005	Order
D.T.E. 04-6-A	Petition of New England Gas Company, pursuant to G.L. c. 164, § 69I, for approval of the Company's Forecast and Supply Plan for the Fall River and North Attleboro Service Areas for the forecast period 2003/04 through 2007/08 (Reconsideration)	August 22, 2005	Order
D.T.E. 05-9	Petition of Western Massachusetts Electric Company pursuant to G.L. c. 164, §14 for approval by the Department for authority to issue long-term debt in the amount not to exceed \$50 million in principal through December 31, 2005 (Compliance Filing)	August 25, 2005	Stamp Approval
N/A	NSTAR Electric Quarterly Default/Basic Service	August 25, 2005	Stamp Approval
N/A	Western Massachusetts Electric Company Quarterly Default/Basic Service	August 25, 2005	Stamp Approval
N/A	KeySpan 2005/2006 Peak Cost of Gas Adjustment Clause filing	August 29, 2005	Stamp Approval
N/A	New England Gas Company 2005/2006 Peak Cost of Gas Adjustment Clause filing	August 29, 2005	Stamp Approval
N/A	NSTAR Electric 2005/2006 Peak Cost of Gas Adjustment Clause filing	August 29, 2005	Stamp Approval
N/A	Bay State Gas Company 2005/2006 Peak Cost of Gas Adjustment Clause filing	August 29, 2005	Stamp Approval
D.T.E. 05-47	Petition of NSTAR Gas Company for approval by the Department pursuant to G.L. c. 164, § 94A to accept a release of long-term transportation capacity under an agreement with Dartmouth Power Associates Limited Partnership	September 8, 2005	Order

Docket Number	Case Description	Date Issued	Order Type
05-GC-14	Boston Gas Company d/b/a KeySpan Energy Delivery New England request for approval by the Department of a 365-day firm transportation service agreement with Fidelity Corporate Real Estate LLC	September 9, 2005	Stamp Approval
D.T.E. 05-27	Petition of Bay State Gas Company for approval by the Department of proposed new tariffs, a Performance-Based Regulation Plan and other related rate adjustments pursuant to G.L. c. 164, § 94 and 220 C.M.R. §§ 5.00 <u>et seq.</u> (Interlocutory Order)	September 16, 2005	Order
D.T.E. 04-65	Petition of the City of Cambridge to the Department, pursuant to G.L. c. 164, § 34A, to resolve a dispute between the City of Cambridge and Cambridge Electric Light Company with respect to the City's purchase of street lighting equipment	September 19, 2005	Letter Order
D.T.E. 05-29	Petition of Fitchburg Gas & Electric Company d/b/a Unitil for approval by the Department of a Settlement Agreement regarding recovery of deferred restructuring costs (Compliance Filing)	September 27, 2005	Stamp Approval
N/A	Bay State Gas Company 2005/2006 Peak Cost of Gas Adjustment Clause filing	September 29, 2005	Letter Order
N/A	The Berkshire Gas Company 2005/2006 Peak Cost of Gas Adjustment Clause filing	September 29, 2005	Letter Order
N/A	Fitchburg Gas & Electric Light Company 2005/2006 Peak Cost of Gas Adjustment Clause filing	September 29, 2005	Letter Order
N/A	KeySpan Energy Delivery New England 2005/2006 Peak Cost of Gas Adjustment Clause filing	September 29, 2005	Letter Order
N/A	New England Gas Company/Fall River 2005/2006 Peak Cost of Gas Adjustment Clause filing	September 29, 2005	Letter Order
D.T.E. 05-31	Petition of NSTAR Electric, pursuant to G.L. c. 25, § 19, G.L. c. 25A, § 11G and G.L. c. 164, §17A, for approval by the Department of NSTAR Electric's 2005 Energy Efficiency Plan and a Joint Motion for Approval of an Offer of Settlement entered into by NSTAR Electric and others	October 3, 2005	Stamp Approval
D.T.E. 05-52	Petition of Fitchburg Gas and Electric Light Company for approval by the Department of the Company's proposed 2005 Energy Efficiency Plan, pursuant to G.L. c. 25, § 19 and G.L. c. 25A, §11G	October 3, 2005	Stamp Approval
D.T.E. 05-30	Petition of Massachusetts Electric Company and Nantucket Electric Company, pursuant to G.L. c. 25, §19 and G.L. c. 25A, §11G. for approval by the Department of the companies' proposed 2005 Energy Efficiency Plan	October 3, 2005	Stamp Approval

Docket Number	Case Description	Date Issued	Order Type
D.T.E. 05-39	Petition of Western Massachusetts Electric Company for approval by the Department of its proposed 2005 Energy Efficiency Plan, pursuant to G.L. c. 25, § 19 and G.L. c. 25A, §11G	October 4, 2005	Stamp Approval
N/A	Interconnection Agreement between McGraw Communications, Inc. and Verizon Massachusetts	October 5, 2005	Stamp Approval
01-106-B	Investigation by the Department on its own motion, pursuant to G.L. c. 159 and G.L. c. 164, § 76 to investigate increasing the penetration rate for discounted electric, gas and telephone service - low income discount cost recovery	October 14, 2005	Order
D.T.E. 04-114/03-118	Petition of Cambridge Electric Light Company and Commonwealth Electric Company, for approval of their 2004 Transition Cost Reconciliation Filing, pursuant to G.L. c. 164, § 1A(a), 220 C.M.R. § 11.03(4)(e)	October 19, 2005	Order
D.T.E. 05-42	Petition of Blackstone Gas Company to the Department for approval of its Performance Base Rate rate adjustment pursuant to D.T.E. 04-79 (2004)	October 24, 2005	Stamp Approval
05-GC-10	Boston Gas Company d/b/a KeySpan Energy Delivery New England request for approval by the Department of a 365-day firm transportation service agreement with Aggregate Industries d/b/a the Holcim Group (Watertown)	October 24, 2005	Stamp Approval
05-GC-11	Boston Gas Company d/b/a KeySpan Energy Delivery New England request approval by the Department of a 365-Day firm transportation service agreement with Aggregate Industries d/b/a the Holcim Group (Peabody)	October 24, 2005	Stamp Approval
N/A	Fitchburg Gas and Electric Light Company Default Service Rates	October 28, 2005	Stamp Approval
D.T.E. 05-40	Petition of KeySpan Energy Delivery New England for approval of Firm transportation and related agreements with TransCanada Pipelines Limited and Union Gas Limited	October 31, 2005	Order
D.T.E. 05-48	Petition of Bay State Gas Company for approval by the Department of firm transportation and related agreements with TransCanada Pipelines Limited and Union Gas Limited	October 31, 2005	Order
D.T.E. 05-49	Petition of Blackstone Gas Company for approval by the Department, pursuant to G.L. c. 164, § 94A, of a contract for sale and purchase of natural gas and the results of its competitive solicitation for gas supply and dispatching service beginning November 1, 2005 to replace its current gas supply and dispatching service agreement that terminates on October 31, 2005	October 31, 2005	Order
05-GC-16	Boston Gas Company d/b/a KeySpan Energy Delivery request for approval of the Department of a firm transportation agreement with Fairmont Copley Plaza	October 31, 2005	Stamp Approval

Docket Number	Case Description	Date Issued	Order Type
D.T.E. 05-GAF-P1	Petition of Bay State Gas Company for approval by the Department of the company's 2005/2006 Peak Cost of Gas Adjustment Clause filing	November 1, 2005	Order
D.T.E. 05-GAF-P2	Petition of The Berkshire Gas Company for approval by the Department of the company's 2005/2006 Peak Cost of Gas Adjustment Clause filing	November 1, 2005	Order
D.T.E. 05-GAF-P3	Petition of Blackstone Gas Company for approval by the Department of the Company's 2005 Annual Cost of Gas Adjustment Clause Reconciliation and 2005/2006 Peak Cost of Gas Adjustment Clause filing	November 1, 2005	Order
D.T.E. 05-GAF-P4	Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil, for approval by the Department of the Company's 2005/2006 Peak Cost of Gas Adjustment Clause filing	November 1, 2005	Order
D.T.E. 05-GAF-P5	Petition of KeySpan Energy Delivery New England for approval by the Department of the Company's 2005/2006 Peak Cost of Gas Adjustment Clause Filing	November 1, 2005	Order
D.T.E. 05-GAF-P6	Petition of New England Gas Company for approval by the Department of the Company's 2005/2006 Peak Cost of Gas Adjustment Clause filing for the Fall River service area	November 1, 2005	Order
D.T.E. 05-GAF-P7	Petition of New England Gas Company for approval by the Department of the Company's 2005/2006 Peak Cost of Gas Adjustment Clause filing for the North Attleboro service area	November 1, 2005	Order
D.T.E. 05-GAF-P8	Petition of NSTAR Gas Company for approval by the Department of the Company's 2005/2006 Peak Cost of Gas Adjustment Clause Filing	November 1, 2005	Order
D.T.E. 05-6	Petition of Assabet Water Company for authority to expand its franchised area	November 1, 2005	Order
D.T.E. 05-8	Petition of KeySpan Energy Delivery New England, for approval by the Department pursuant to G.L. c. 164, §94A of Firm Service Agreements between KeySpan Energy Delivery New England and Distrigas of Massachusetts, LLC	November 1, 2005	Order
D.T.E. 05-66	Petition of Boston Gas Company d/b/a KeySpan Energy Delivery New England for approval by the Department, in compliance with Boston Gas Company D.T.E. 03-40 (2004) and pursuant to G.L. c. 164, § 94 and 220 C.M.R. 5.00 <u>et seq.</u> , of changes in rates to become effective November 1, 2005	November 1, 2005	Order
05-EC-3	Massachusetts Electric Company request for approval of special contract with Tewksbury State Hospital regarding the interconnection of a 595 kW Cogeneration System at the Tewksbury State Hospital	November 2, 2005	Stamp Approval

Docket Number	Case Description	Date Issued	Order Type
D.T.E. 05-57	Petition of New England Power Company for approval by the Department, pursuant to G.L. c. 164, § 14, of an amendment to an existing revolving credit facility which extends the term thereof from 364 days to five years	November 4, 2005	Order
D.T.E. 05-34	Petition of Cape Light Compact to the Department seeking certification of amended energy efficiency plan pursuant to G.L. c. 164, §134(b)	November 8, 2005	Stamp Approval
N/A	NSTAR Electric Basic Service Rates	November 16, 2005	Stamp Approval
N/A	Western Massachusetts Electric Company Basic Service Rates	November 18, 2005	Stamp Approval
05-GC-19	Boston Gas Company d/b/a KeySpan Energy Delivery New England request for approval of a firm transportation service agreement with Hebrew Rehabilitation Center for Aged	November 28, 2005	Stamp Approval
05-GC-20	Boston Gas Company d/b/a KeySpan Energy Delivery New England request for approval of a firm transportation service agreement with Beverly Hospital	November 28, 2005	Stamp Approval
05-GC-21	Boston Gas Company d/b/a KeySpan Energy Delivery New England request for approval of a Firm Transportation Service Agreement with Harrington Memorial Hospital	November 28, 2005	Stamp Approval
05-GAF-P3	Petition of Blackstone Gas Company for approval by the Department of the Company's 2005 Annual Cost of Gas Adjustment Clause Reconciliation and 2005/2006 Peak Cost of Gas Adjustment Clause filing - Decrease in Gas prices	November 28, 2005	Letter Order
05-GAF-P6	Petition of New England Gas Company for approval by the Department of the Company's 2005/2006 Peak Cost of Gas Adjustment Clause filing for the Fall River service area - Decrease in Gas Prices	November 28, 2005	Letter Order
05-GAF-P7	Petition of New England Gas Company approval by the Department of the Company's 2005/2006 Peak Cost of Gas Adjustment Clause filing for the North Attleboro service area - Decrease in Gas Prices	November 28, 2005	Letter Order
D.T.E. 05-27	Petition of Bay State Gas Company for approval by the Department of proposed new tariffs, a performance-based regulation plan and other related rate adjustments pursuant to G.L. c. 164, § 94 and 220 C.M.R. §§ 5.00 et seq.	November 30, 2005	Order
D.T.E. 05-67	Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil, to the Department for authority to issue securities	November 30, 2005	Order
D.T.E. 05-86	Investigation by the Department on its own motion into standards for arrearage management programs for low-income customers, pursuant to St. 2005, c. 140, §17	December 1, 2005	Order

Docket Number	Case Description	Date Issued	Order Type
D.T.E. 05-84	Petition of Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company d/b/a NSTAR Electric for approval by the Department of proposed revised tariffs relating to the Companies' respective terms and conditions for distribution services and competitive suppliers, respectively	December 7, 2005	Suspension Order
05-GC-23	Bay State Gas Company request for approval by the Department of an interruptible transportation agreement and interruptible gas supply service agreement with the Massachusetts Department of Corrections	December 7, 2005	Stamp Approval
05-GC-22	Bay State Gas Company request for approval of the Department of a special firm transportation agreement with MASSPOWER	December 12, 2005	Stamp Approval
D.T.E. 05-54	Petition of KeySpan Energy Delivery New England for review and approval by the Department of the Company's (1) final budget for the period May 1, 2004 through April 30, 2005 (Program Year 3), (2) energy efficiency performance summary for Program Year 3, and (3) performance-based incentive calculations for Program Year 3	December 12, 2005	Stamp Approval
D.T.E. 05-32	Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil to the Department for approval of the Company's Capacity Contract Renewal with Tennessee Gas Pipeline Company	December 22, 2005	Order
D.T.E. 05-GAF-P5	Petition of KeySpan Energy Delivery New England for approval by the Department of the Company's 2005/2006 Peak Cost of Gas Adjustment Clause Filing	December 22, 2005	Order
N/A	Fitchburg Gas and Electric Light Company Bad Debt Cost Factor	December 22, 2005	Stamp Approval
D.T.E. 05-27	Petition of Bay State Gas Company for approval by the Department of proposed new tariffs, a performance-based regulation plan and other related rate adjustments pursuant to G.L. c. 164, § 94 and 220 C.M.R. §§ 5.00 <u>et seq.</u> (Judicial Appeal Extension)	December 22, 2005	Stamp Approval
N/A	Interconnection Agreement between Time Warner and Verizon Massachusetts	December 22, 2005	Stamp Approval
D.T.E. 02-38-C	Investigation by the Department on its own Motion into distributed generation, revised distributed generation interconnection tariff	December 27, 2005	Order
D.T.E. 05-87	Investigation by the Department on its own Motion commencing a rulemaking pursuant to 220 C.M.R. § 2.00 <u>et seq.</u> revising 220 C.M.R. §§ 11 and 14, in compliance with St. 2005, c. 140	December 27, 2005	Order

Docket Number	Case Description	Date Issued	Order Type
D.T.E. 05-90	Petition of Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company and NSTAR Gas Company, together, NSTAR, to the Department for review and approval of the company's annual Pension/PBOP Adjustment Factors for effect January 1, 2006	December 27, 2005	Stamp Approval
D.T.E. 05-64	Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil for approval by the Department of the Company's annual pension/post-retirement benefits other than pensions adjustment factor reconciliation and rate filing	December 29, 2005	Stamp Approval
D.T.E. 05-92	Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil for approval by the Department of its annual electric reconciliation mechanism	December 29, 2005	Order
D.T.E. 05-93	Petition of Nantucket Electric Company d/b/a National Grid for approval by the Department of a cable facilities surcharge to become effective on January 1, 2006	December 29, 2005	Order
D.T.E. 05-85	Petition of Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company and NSTAR Gas Company for approval by the Department of a Joint Motion for Approval of Settlement Agreement and the Settlement Agreement entered into by the Companies with others	December 30, 2005	Order
D.T.E. 05-88	Petition of Boston Edison Company d/b/a NSTAR Electric to the Department for approval of its 2005 transition cost reconciliation filing	December 30, 2005	Order
D.T.E. 05-89	Petition of Cambridge Electric Light Company and Commonwealth Electric Company to the Department for approval of their 2005 transition cost reconciliation filing	December 30, 2005	Order
D.T.E. 05-94	Petition of Aquarion Water Company of Massachusetts for approval by the Department of a proposed rate surcharge reduction	December 30, 2005	Order
D.T.E. 05-91	Petition of Western Massachusetts Electric Company for approval by the Department of the Company's reconciliation factor filed in compliance with D.T.E. 04-106	December 30, 2005	Stamp Approval
D.T.E. 05-12	Investigation by the Department into Bay State Gas Company's 2004 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 30, 2005	Letter Order
D.T.E. 05-13	Investigation by the Department into The Berkshire Gas Company's 2004 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 30, 2005	Letter Order

Docket Number	Case Description	Date Issued	Order Type
D.T.E. 05-14	Investigation by the Department into Blackstone Gas Company's 2004 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 30, 2005	Letter Order
D.T.E. 05-15	Investigation by the Department into Boston Edison Company d/b/a NSTAR Electric Company's 2004 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 30, 2005	Letter Order
D.T.E. 05-16	Investigation by the Department into Boston Gas Company d/b/a KeySpan Energy Delivery New England's 2004 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 30, 2005	Letter Order
D.T.E. 05-17	Investigation by the Department into Cambridge Electric Light Company d/b/a NSTAR Electric's 2004 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 30, 2005	Letter Order
D.T.E. 05-18	Investigation by the Department into Colonial Gas Company d/b/a KeySpan Energy Delivery New England's 2004 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 30, 2005	Letter Order
D.T.E. 05-19	Investigation by the Department into Commonwealth Electric Company d/b/a NSTAR Electric Company's 2004 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 30, 2005	Letter Order
D.T.E. 05-20	Investigation by the Department into Essex Gas Company d/b/a KeySpan Energy Delivery New England's 2004 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 30, 2005	Letter Order

Docket Number	Case Description	Date Issued	Order Type
D.T.E. 05-21	Investigation by the Department into Fitchburg Gas and Electric Light Company's 2004 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 30, 2005	Letter Order
D.T.E. 05-22	Investigation by the Department into Massachusetts Electric Company and Nantucket Electric Company's 2004 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 30, 2005	Letter Order
D.T.E. 05-23	Investigation by the Department into NSTAR Gas Company's 2004 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 30, 2005	Letter Order
D.T.E. 05-24	Investigation by the Department into New England Gas Company's 2004 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 30, 2005	Letter Order
D.T.E. 05-25	Investigation by the Department into Western Massachusetts Electric Company's 2004 Service Quality Report, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84, Att. 1, IX (June 29, 2001)	December 30, 2005	Letter Order
D.T.E. 05-70	Application of the Cape Light Compact, pursuant to G.L. c. 164 App. §§ 2-1 through 2-10; and 220 C.M.R. §§ 7.00 <u>et seq.</u> , for approval by the Department of the Company's residential conservation services budget for the calendar year 2006	December 30, 2005	Stamp Approval
D.T.E. 05-71	Application of KeySpan Energy Delivery New England, pursuant to G.L. c. 164 App. §§ 2-1 through 2-10; and 220 C.M.R. §§ 7.00 <u>et seq.</u> , for approval by the Department of the Company's residential conservation services budget for the calendar year 2006	December 30, 2005	Stamp Approval
D.T.E. 05-72	Application of Bay State Gas Company, pursuant to G.L. c. 164 App. §§ 2-1 through 2-10; and 220 C.M.R. §§ 7.00 <u>et seq.</u> , for approval by the Department of the Company's residential conservation services budget for the calendar year 2006	December 30, 2005	Stamp Approval

Docket Number	Case Description	Date Issued	Order Type
D.T.E. 05-74	Application of NSTAR Electric, pursuant to G.L. c. 164 App. §§ 2-1 through 2-10; and 220 C.M.R. §§ 7.00 <u>et seq.</u> , for approval by the Department of the Company's residential conservation services budget for the calendar year 2006	December 30, 2005	Stamp Approval
D.T.E. 05-73	Application of Fitchburg Gas and Electric Light Company, pursuant to G.L. c. 164 App. §§ 2-1 through 2-10; and 220 C.M.R. §§ 7.00 <u>et seq.</u> , for approval by the Department of the Company's residential conservation services budget for the calendar year 2006	December 30, 2005	Stamp Approval
D.T.E. 05-75	Application of NSTAR Gas, pursuant to G.L. c. 164 App. §§ 2-1 through 2-10; and 220 C.M.R. §§ 7.00 <u>et seq.</u> , for approval by the Department of the Company's residential conservation services budget for the calendar year 2006	December 30, 2005	Stamp Approval
D.T.E. 05-76	Application of New England Gas Company, North Attleboro service area, pursuant to G.L. c. 164 App. §§ 2-1 through 2-10; and 220 C.M.R. §§ 7.00 <u>et seq.</u> , for approval by the Department of the Company's residential conservation services budget for the calendar year 2006	December 30, 2005	Stamp Approval
D.T.E. 05-77	Application of New England Gas Company, Fall River service area, pursuant to G.L. c. 164 App. §§ 2-1 through 2-10; and 220 C.M.R. §§ 7.00 <u>et seq.</u> , for approval by the Department of the Company's residential conservation services budget for the calendar year 2006	December 30, 2005	Stamp Approval
D.T.E. 05-78	Application of The Berkshire Gas Company, pursuant to G.L. c. 164 App. §§ 2-1 through 2-10; and 220 C.M.R. §§ 7.00 <u>et seq.</u> , for approval by the Department of the Company's residential conservation services budget for the calendar year 2006	December 30, 2005	Stamp Approval
D.T.E. 05-79	Application of Western Massachusetts Electric Company, pursuant to G.L. c. 164 App. §§ 2-1 through 2-10; and 220 C.M.R. §§ 7.00 <u>et seq.</u> , for approval by the Department of the Company's residential conservation services budget for the calendar year 2006	December 30, 2005	Stamp Approval
D.T.E. 05-80	Application of Blackstone Gas Company, pursuant to G.L. c. 164 App. §§ 2-1 through 2-10; and 220 C.M.R. §§ 7.00 <u>et seq.</u> , for approval by the Department of the Company's residential conservation services budget for the calendar year 2006	December 30, 2005	Stamp Approval
D.T.E. 05-81	Application of Massachusetts Electric Company and Nantucket Electric Company, pursuant to G.L. c. 164 App. §§ 2-1 through 2-10; and 220 C.M.R. §§ 7.00 <u>et seq.</u> , for approval by the Department of the Company's residential conservation services budget for the calendar year 2006	December 30, 2005	Stamp Approval

Appendix 4 - Consumer Division Statistics by Industry

Legend

Referrals:	Information is provided to the consumer, but no complaint is opened
Parlance:	Consumers transferred directly to a utility company by the Division's automated transfer system
Adjustments:	Refunds to consumers
Other:	Company name not in database
Unknown:	Company name not in database

INDUSTRY	COMPANY	CASES	REFERRALS	PARLANCE	ADJUSTMENTS
CABLE					
	ADELPHIA CABLE	31	94	75	\$249.69
	A-R CABLE PARTNERS		9	0	
	CENTURY CABLE	1	28	0	\$0.00
	CHARLEMONT CABLE		2	7	
	CHARTER CABLE	32	43	109	\$218.93
	COMCAST CORP.	341	1298	3453	\$6,630.54
	COX CABLE	3	1	45	\$0.00
	OTHER CABLE	1	1		\$0.00
	RCN CABLE	62	616	1099	\$771.34
	SHREWSBURY CABLE	2	2	17	\$0.00
	TIME WARNER CABLE	16	62	308	\$4.78
	TUFTS UNIVERSITY			6	
	TOTAL CABLE	489	2156	5119	\$7,875.28
ELECTRIC					
	NANTUCKET ELECTRIC	2	6		\$0.00
	NATIONAL GRID (MASS. ELEC.)	633	1117	1508	\$3,550.71
	NORTHEAST UTILITIES (WESTERN MASSACHUSETTS ELECTRIC)	164	476	1049	\$268.84
	NSTAR (BOSTON EDISON)	941	1218	485	\$79,047.53
	NSTAR (CAMBRIDGE ELECTRIC)	19	18	1061	\$450.76
	NSTAR (COMMONWEALTH ELECTRIC)	257	65		\$3,650.51
	TOTAL INVESTOR OWNED ELECTRIC	2016	2900	4103	\$86,968.35
MUNICIPAL ELECTRIC					
	ASHBURNHAM MUNICIPAL ELEC		1	144	
	BELMONT MUNICIPAL ELEC	1	3	34	\$0.00
	BOYLSTON MUNICIPAL ELEC			72	

INDUSTRY	COMPANY	CASES	REFERRALS	PARLANCE	ADJUSTMENTS
	BRAINTREE MUNICIPAL LIGHT & CABLE	1		3	\$0.00
	CHESTER MUNICIPAL ELEC			32	
	CHICOPEE MUNICIPAL ELEC	10	1	10	\$0.00
	CONCORD MUNICIPAL ELEC		1	72	
	DANVERS MUNICIPAL ELEC	1	2	0	\$0.00
	GEORGETOWN MUNICIPAL ELEC		1	0	
	GROTON MUNICIPAL ELEC	1	1	13	\$0.00
	GROVELAND MUNICIPAL ELEC			93	
	HINGHAM MUNICIPAL ELEC	6	1	55	\$551.00
	HOLDEN MUNICIPAL ELEC		1	44	
	HOLYOKE MUNICIPAL ELEC	6	4	14	\$0.00
	HUDSON MUNICIPAL ELEC	1	1	173	\$0.00
	HULL MUNICIPAL ELEC	1	1	0	\$87.80
	IPSWICH MUNICIPAL ELEC	1	2	14	\$0.00
	LITTLETON MUNICIPAL ELEC			44	
	MANSFIELD MUNICIPAL ELEC	7	5	13	\$0.00
	MARBLEHEAD MUNICIPAL ELEC	1	6	11	\$0.00
	MERRIMAC MUNICIPAL ELEC	1		43	\$0.00
	MIDDLEBORO MUNICIPAL ELEC	5	1		\$0.00
	MIDDLETON MUNICIPAL ELEC	1		30	\$0.00
	N. ATTLEBOROUGH MUN ELEC	4	2	13	\$0.00
	NORWOOD MUNICIPAL LIGHT & CABLE	2	1	48	\$0.00
	PEABODY MUNICIPAL ELEC	2	2	20	\$0.00
	PRINCETON MUNICIPAL ELEC			22	
	READING MUNICIPAL ELEC	3	3	20	\$0.00
	RUSSELL MUNICIPAL ELEC			6	
	S. HADLEY MUNICIPAL ELEC	3	2	13	\$0.00
	SHREWSBURY MUNICIPAL ELEC	3	2	14	\$276.16
	STERLING MUNICIPAL ELEC	1		0	\$0.00
	TAUNTON MUNICIPAL ELEC	18	2	19	\$0.00
	TEMPLETON MUNICIPAL ELEC	1	1	16	\$0.00
	WAKEFIELD MUNICIPAL ELEC	1	2	8	\$0.00
	WELLESLEY MUNICIPAL ELEC	1	1	15	\$0.00

INDUSTRY	COMPANY	CASES	REFERRALS	PARLANCE	ADJUSTMENTS
	WEST BOYLSTON MUNICIPAL ELEC			23	
	WESTFIELD MUNICIPAL ELEC	6	4	37	\$0.00
	TOTAL MUNICIPAL ELECTRIC	89	54	1188	\$914.96
	GRAND TOTAL ELECTRIC	2105	2954	5291	\$87,883.31
GAS					
	BERKSHIRE GAS	24	24	90	\$0.00
	BLACKSTONE GAS	1	2	64	\$0.00
	KEYSPAN (BOSTON GAS)	590	1219	1904	\$69,980.50
	KEYSPAN (COLONIAL GAS-CAPE)	95	96		\$25,975.03
	KEYSPAN (ESSEX COUNTY GAS)	16	4	0	\$186.67
	KEYSPAN (COLONIAL GAS - LOWELL)	45	67	1071	\$20,140.04
	NEW ENGLAND GAS (FALL RIVER & NO. ATTLEBORO GAS)	13	11	610	\$0.00
	NEW ENGLAND GAS (FALL RIVER GAS)	105	147		\$17,435.28
	NISOURCE (BAY STATE GAS)	299	266	231	\$10,457.51
	NSTAR (COMMONWEALTH GAS)	174	43	2965	\$19,116.66
	OTHER GAS CO.	1	4	0	\$0.00
	UNITIL (FITCHBURG GAS & ELECTRIC)	34	30	150	\$390.00
	TOTAL INVESTOR OWNED GAS	1397	1913	7085	\$163,681.69
MUNICIPAL GAS					
	HOLYOKE MUNICIPAL GAS	2	1		\$0.00
	MIDDLEBOROUGH MUN GAS		2		
	WAKEFIELD MUNICIPAL GAS	1			\$0.00
	WESTFIELD MUNICIPAL GAS	1	3		\$0.00
	TOTAL MUNICIPAL GAS	4	6		\$0.00
	GRAND TOTAL GAS	1401	1919	7085	\$163,681.69
MUNICIPAL					
	OTHER MUNICIPAL		5		

INDUSTRY	COMPANY	CASES	REFERRALS	PARLANCE	ADJUSTMENTS
NOT APPLICABLE					
	OTHER	11	1103		\$0.00
SUPPLIER					
	CAPE LIGHT COMPACT	2	3	0	\$0.00
	COM/ENERGY MARKETING		1	0	
	CONEDISON SOLUTIONS	1			
	DOMINION RETAIL, INC.	7	64	0	\$50.00
	ENSERCH ENERGY SERVICES		2	0	
	SELECT ENERGY, INC.		3	0	
	XENERGY		1	0	
	TOTAL SUPPLIER	10	74		\$50.00
TELECOMMUNICATIONS					
	0		1		
	011 COMMUNICATIONS	1			\$0.00
	1 COM, INC.		6		
	ACCXX COMMUNICATIONS	1	2		\$0.00
	ACN		2		
	ADELPHIA TELECOMMUNICATIONS	1	1		\$0.00
	ADVANCED TELECOM. NETWORK		1		
	ADVANTAGE TELECOMMUNICATIONS	1			\$115.67
	ADVENT COMMUNICATIONS LLC	1			\$14.30
	ALLEGIANCE TELECOM, INC.	6	3		\$1,690.25
	AMERICA'S TELE-NETWORK CORP.	1	1		\$13.43
	AT&T	667	1148	2644	\$33,426.73
	BAK COMMUNICATIONS LLC		1		
	BAY RING COMMUNICATIONS		1		
	BROADVIEW NETWORKS	13	1		\$982.12
	BROADWING TELECOMMUNICATIONS	1			\$0.00
	BULLSEYE TELECOM	7	3		\$0.00
	BUSINESS DISCOUNT PLAN, INC.	2			\$0.00

INDUSTRY	COMPANY	CASES	REFERRALS	PARLANCE	ADJUSTMENTS
	BUSINESS NETWORK LONG DISTANCE	2			\$49.50
	CHOICE ONE COMMUNICATIONS	8	19		\$421.52
	CLEARTEL TELECOMMUNICATIONS,	1			\$0.00
	CLEARWORLD COMMUNICATIONS	1	2		\$0.00
	COMCAST PHONE, LLC	136	212	174	\$2,780.90
	COMMUNICATE TECHNOLOGICAL SYS.	2			\$129.24
	COMTECH 21 LLC		1		
	CONVERSENT COMMUNICATIONS	11	3		\$0.00
	COOPERATIVE COMMUNICATIONS, INC.				\$0.00
	CORDIA COMMUNICATIONS CORP.	26	47		\$433.08
	COVISTA, INC.	1			\$8.24
	CTC COMMUNICATION CORP	4	1		\$0.00
	EASTERN TELEPHONE, INC.				\$0.00
	ELEC - FORMERLY ESSEX COMM	1	1		\$0.00
	ENHANCED COMMUNICATIONS	1			\$12.95
	ESSENTIAL.COM			83	
	EVERCOM SYSTEMS, INC.	1	3		\$0.00
	EXCEL/VARTEC	3	3		\$66.79
	FAIRPOINT COMMUNICATIONS		2		
	FCC		353		
	GLOBAL CROSSING TELECOM	3			\$50.00
	GRANDBY TELEPHONE			42	
	GTC TELECOM	1			\$0.00
	HOLD BILLING		1		
	IDT CORPORATION	80	184		\$807.23
	ILD - EVERCOM - TALTON - INVISON	4	2		\$190.55
	IMR TELECOM	5	4		\$0.00
	INTEGRETEL	5	3		\$57.95
	KAB COMMUNICATIONS - YOUR FIRST CHOICE		2		
	LEGENT COMMUNICATIONS CORP.	2			\$0.00
	LEVEL 3 COMMUNICATIONS LLC	1	1		\$0.00
	LIGHTSHIP TELECOM, LLC	4	3		\$0.00
	LIGHTYEAR COMMUNICATIONS INC.		1		

INDUSTRY	COMPANY	CASES	REFERRALS	PARLANCE	ADJUSTMENTS
	LOCAL LONG DISTANCE		1		
	LONG DISTANCE CONSOLIDATED	1			\$923.61
	MASSACHUSETTS LOCAL TELEPHONE	7	2		\$0.00
	MCI-AGENCY RELATIONS	251	342	1093	\$14,368.79
	MEDIAONE TELEPHONE		117		
	METROPOLITAN	3	1		\$396.74
	NECC TELECOM, INC.	3			
	NORVERGENCE	1			\$0.00
	NOS COMMUNICATIONS, INC.	1			\$0.00
	NUI TELECOM, INC.	1			\$156.39
	ONESTAR LONG DISTANCE	1	1		\$0.00
	OPERATOR ASSISTANCE NETWK	4	3		\$13.48
	OPTICAL TELEPHONE CORP.	1	1		\$0.00
	OPTICOM-ONE CALL	3	2		\$0.00
	OPTIMUM GLOBAL COMMUNICATIONS, INC. DBA THE LOCAL PHONE COMPANY	16	4		\$0.00
	OTHER COCOTS	1	8		\$0.00
	OTHER TELEPHONE CO.	40	72		\$1,123.87
	PIONEER TELEPHONE DBA TELECOM	1			
	POWERNET GLOBALCOMMUNICATIONS	4	3		\$157.21
	PRIMUS TELECOMMUNICATIONS, INC.	5			\$362.23
	QWEST COMMUNICATIONS	9	3		\$20.45
	RCN TELEPHONE	55	82	1396	\$505.79
	RICHMOND TELEPHONE COMPANY	4	4	8	\$0.00
	RNK, INC.	2	1		\$0.00
	SBC ADVANCED SOLUTIONS, INC.	2	2		\$0.00
	SERVISENSE	1			\$0.00
	SPECTROTEL, INC.	17	2		\$293.06
	SPRINT	48	17	173	\$5,272.89
	STARTEC GLOBAL COMMUNICATIONS	3			\$0.00
	TACONIC TELEPHONE			25	
	TALK AMERICA INC.	13	2		\$45.31
	TALK TIME COMMUNICATIONS INC.	1	1		\$0.00
	TELEDIAS COMMUNICATIONS, INC.	2			\$0.00

INDUSTRY	COMPANY	CASES	REFERRALS	PARLANCE	ADJUSTMENTS
	TELIS COMMUNICATIONS GROUP, INC.	1			\$0.00
	TRALEE TELEPHONE COMPANY, LLC	1			\$45.92
	TRINSIC COMMUNICATIONS, INC.	6			\$120.60
	U. S. TELECOM LONG DISTANCE	10	2		\$25.40
	UNITED SYSTEMS ACCESS TELECOM	2	1		\$16.00
	USBI	10			\$169.27
	VARTEC TELECOM, INC.	7	3		\$198.36
	VERIZON	1267	2196	4165	\$20,882.79
	WEBNET COMMUNICATIONS		1		
	WILTEL COMMUNICATIONS, LLC		1		
	WINSTAR COMMUNICATIONS	1			\$0.00
	WORKING ASSETS LONG DISTANCE	1			\$66.22
	WORLDXCHANGE CORP DBA ACCERIS	6	1		\$135.08
	XO COMMUNICATIONS, INC.	10	5		\$3,838.98
	ZEROPLUS				\$0.00
	Z-TEL	4	4		\$161.58
	TOTAL TELECOM	2832	4904	9803	\$90,550.47
UNKNOWN	UNKNOWN	22			\$0.00
WATER					
	ACOAXET WATER WORKS			8	
	AQUA WATER COMPANY		16	0	
	AQUARION WATER COMPANY	5	2	58	\$0.00
	ASHMERE WATER SUPPLY			63	
	ASSABET WATER COMPANY	2		50	\$0.00
	ASTRO WATER SUPPLY			44	
	BARNSTABLE WATER SUPPLY		2	96	
	BLACK WATERWORKS		1		
	BUTTERWORTH WATER			14	
	DOVER WATER CO			24	
	EAST NORTHFIELD WATER CO		1	2	
	GLACIAL LAKE			38	

INDUSTRY	COMPANY	CASES	REFERRALS	PARLANCE	ADJUSTMENTS
	HOUSATONIC WATER			18	
	HUTCHINSON WATER			10	
	KINGS' GRANT WATER			38	
	MAHKEENAC WATERWORKS		1	37	
	MENEMSHA WATER			24	
	MILFORD WATER COMPANY	3	4	15	\$0.00
	MONTEREY WATER			16	
	OAKES WATER COMPANY		1	53	
	OTHER WATER CO.		6		
	PLYMOUTH WATER CO.		1	37	
	SALISBURY WATER			22	
	SHEFIELD WATER			9	
	SOUTH EGREMONT WATER			15	
	WEST STOCKBRIDGE WATER			4	
	WESTPORT HARBOR			7	
	WITHCES BROOK WATER			6	
	TOTAL WATER	10	35	708	\$0.00
GRAND TOTAL		6,880	13,150	28,006	\$350,040.75